



Golden Gate Baptist Theological Seminary

Economic Impact Report

Marin Economic Forum

Original - August 4, 2010

Final Draft Updated March 25, 2011

Table of Contents

Section	Page
Executive Summary	3
1. Introduction	5
2. Description of GGBTS Expansion Plan	7
3. Economic Impact Analysis: 2010 Amendment	12
4. Comparisons to 1982 Amendment	22
5. Social and Environmental Impacts	28
6. Conclusions	29
7. References	31

Table of Figures and Tables

Figure or Table	Page
Table 1: Summary of Specific and Differential Economic Impacts, 2010 and 1982 Amendments	4
Table 2: Residential Unit Differences between the 1982 Plan and the 2010 Amendment	8
Table 3: Off-Campus Units to be Constructed: 2010 Amendment, \$000	9
Table 4: On-Campus Construction Costs: 2010 Amendment, \$000	10
Table 5: Off-Campus Construction Costs: 2010 Amendment, \$000	11
Table 6: Direct Economic Impacts: 2010 Amendment	12
Figure 1: Economic Impact Concept	14
Table 7: Employment Impacts: On-Campus Construction	15
Table 8: Economic Impact, Business Revenues (On-Campus Construction), \$000	16
Table 9: Tax Impact: On-Campus Construction	17
Table 10: Employment Impacts: Off-Campus Construction	17
Table 11: Economic Impact, Business Revenues (Off-Campus Construction), \$000	18
Table 12: Tax Impact: Off-Campus Construction	19
Table 13: Employment Impacts: New Residents	19
Table 14: Economic Impact, Business Revenue (New Residents), \$000	20
Table 15: Tax Impact: New Residents	20
Table 16: Employment Impacts: Real Estate Sales	21
Table 17: Economic Impact, Business Revenues (Real Estate Sales), \$000	21
Table 18: Tax Impact: Real Estate Sales	22
Table 19: On-Campus Construction Costs: 1982 Plan	23
Table 20: Direct Economic Impacts Comparison: 1982 Plan to 2010 Amendment	24
Table 21: 1982 Plan Employment Impacts: On-Campus Construction	24
Table 22: 1982 Plan Impacts, Business Revenues (On-Campus Construction), \$000	25
Table 23: 1982 Plan Tax Impacts: On-Campus Construction	25
Table 24: 1982 Plan Employment Impacts: New Residents	26
Table 25: 1982 Plan Economic Impact, Business Revenues (New Residents), \$000	27
Table 26: 1982 Plan Tax Impacts: New Residents	27
Table 27: Differential Impacts, 2010 Amendment to 1982 Master Plan Amendment	28

Executive Summary

This study provides an overview of the economic impacts from Golden Gate Baptist Theological Seminary (GGBTS) building additional residences on campus, land sales for off-campus development of residential units on Strawberry Point in Mill Valley and their effects on Marin County as a whole. GGBTS is seeking an amendment to their 1982 master plan amendment to construct new units on campus and sell parcels to allow for in-fill growth and further construction. These new homes generate new households in Marin County, new spending and new, local tax revenues without infringing on urban boundaries or sacrificing the environment. The construction phases employ local workers in the trades and many associated industries, and provide jobs and business incomes to Mill Valley merchants and residents. The real estate developments and transactions provide affordable housing units to Mill Valley and more residents without infringing on urban growth boundaries.

The 2010 Amendment construction projects generate over \$125 million in new business revenues, 866 jobs and over \$5 million in one-time state and local taxes. The sales of newly constructed homes generate more one-time effects; over 70 jobs, \$10 million in business revenue and \$1 million in state and local taxes. The ongoing impacts from new property taxes and new residents is over 39 new jobs, almost \$2 million in new business revenue and over \$1.1 million in new tax revenues, most of which is captured locally.

The economic impacts of this master plan amendment are summarized in Table 1.

Table 1: Summary of Specific and Differential Economic Impacts, 2010 and 1982 Amendments

One-Time Impacts, Downtown Strawberry/Mill Valley, \$000

Amendment/ Master Plan	Task	Jobs	Business Income \$000	State and Local Tax Revenues (\$000)
2010	On-Campus Construction	106.0	\$15,454	\$668
2010	Sales of Parcels	70.3	\$10,960	\$1,214
2010	Off-Campus Construction	760.4	\$110,998	\$4,801
1982	On-Campus Construction	276.5	\$40,380	\$1,747

Ongoing Annual Impacts, Downtown Strawberry/Mill Valley, \$000

Amendment/ Master Plan	Task	Jobs	Business Income \$000	State and Local Tax Revenues (\$000)
2010	New Households	39.1	\$3,446	\$249
2010	Property Taxes			\$877
1982	New Households	27.1	\$1,987	\$187

Differential Impacts, 2010 Amendment compared to 1982 Master Plan Amendment

Task	Jobs	Business Income (\$000)	State and Local Tax Revenues (\$000)
On-Campus Construction	-70.5	-\$24,926	-\$1,079
Sales of Parcels	+70.3	+\$10,960	+\$1,214
Off-Campus Construction	+760.4	+\$110,998	+\$4,801
New Households (Annual)	+8.0	+\$1,459	+\$62
Property Taxes on New Homes (Annual)			+877
One-Time Totals	+760.2	+\$97,032	+\$4,936
Ongoing Totals	+8	+\$1,459	+\$939

GGBTS Economic Impact Report

1. Introduction

The Golden Gate Baptist Theological Seminary (GGBTS) campus at Strawberry Point in Mill Valley, CA seeks to initiate construction and sales of land per its 1982 Master Plan amendment and is seeking to further the master plan. This report will analyze the economic impacts of the construction of new properties, the sale of developable land, and the effects of creating a mix of market-rate and affordable housing in this area of Marin County. The expansion will use green development practices; the projects will be focused on low intensity in land use and low population density to integrate with the surrounding area in Mill Valley and minimize traffic impacts to Marin County.

GGBTS will make available employer-provided housing to relatively low-income workers on the employer's site. This project can act as a model of other businesses in Marin County, especially those that may occupy commercial buildings (or own them) and want to engage in rezoning or repurposing those properties for mixed-use instead of office space that may never be used. Further, this expansion allows Marin County to grow its residential base without changing current open space, securing environmental balance by engaging in green building and protection of specific open areas within GGBTS' boundaries, and increase social equity through building affordable housing, providing work for the trades in construction and renovation projects throughout GGBTS' campus and surrounding areas.

GGBTS wants to amend its 1982 Master Plan Amendment (1982 Plan) and reconfigure its original building and renovation designs. Both the GGBTS business model and Marin County's economy have evolved in such a way for GGBTS to look at a smaller student base and to utilize its developable land to finance the renovation and construction of residential and common-use space on campus. This

study provides both the economic impact of the 1982 Plan and the 2010 Amendment as well as a comparison of how each plan would affect Marin County's economy.

The 2010 Amendment project includes:

- A land sale that would be developed with approximately \$88 million in construction and improvements costs while providing a mix of affordable and market-rate housing (74 units);
- The construction of 45 new units (resulting in a net of 19 new units) for Seminary Residents, which range from extremely low to low income housing, using the highest level of Green Development Practices;
- The addition of new residents to the area will serve Marin County as a whole; and
- The alternative is the construction and renovation of GGBTS campus resources to meet the current amendment of 1982.

There are two major questions this impact study will answer:

- What is the economic impact of the 2010 amendment to the 1982 Plan; and
- What difference in economic impact takes place if the alternative versus the 1982 plan were followed?

This study provides an economic impact analysis for Mill Valley as a result of having this amount of in-fill growth without having to annex unincorporated lands or extend current infrastructure. The off-campus units are centrally located near mass transit and retail services. The properties were previously occupied by GGBTS residents, who currently pay no property taxes and use the GGBTS cafeteria as part

of their education or work; these Marin County properties will now be available to current or new Marin County residents¹.

There is also an economic impact to Marin County of having GGBTS provide on-site housing for its low-income employees/users. Part of this impact is in the construction of these new properties, which helps support local trades and firms providing intermediate goods and services, including retail for the workers as they are building the structures in Marin County. Further economic impacts include local business revenues expanding due to more residents living within walking distance of local shops and services.

2. Description of GGBTS Expansion Plan: 2010 Amendment

GGBTS is an education institution and has business functions. There are 211 residential units currently on the GGBTS campus, serving as a mix of student and faculty housing. It is an important distinction from other businesses because like other higher learning institutions, every year there is an inflow of new students, an outflow of graduates, and transition in the local economy based on those changes. The 1982 Plan forecasted an increase the number of students served by GGBTS on campus. Also, this amendment provides an opportunity for in-fill development for Marin County, including affordable housing to meet the Association of Bay Area Government's (ABAG) requirements for new residential construction, without encroaching on urban growth boundaries or otherwise protected land.

In the 1982 Plan, all 93 new residential units were for on-campus use, and now GGBTS needs only half to serve its projected, internal needs. In the expansion, the net of 19 new units includes student housing which will be very-low income housing, while the faculty are in low-income housing.

¹ If current Marin County residents fill these new spaces, the residential units they leave act as potential in-fill properties for new residents. This study uses a figure for new residents and assumes all new units are occupied.

The 1982 plan was to use this space as common areas for GGBTS students, staff and faculty. GGBTS intends to use land sales as financing for its amended construction plans and ongoing operations. When completed, 19 new residential units will remain on-campus; the other 74 units will be come off-campus units built by residential developers. Faculty will also rent some of these new units back, and some will be designated as low-income housing specific to faculty. Further, GGBTS foresees renovated common areas and a path to connect GGBTS’s core campus and the surrounding residential units.

GGBTS owns parcels throughout Strawberry Point that are not on the physical grounds of the campus. The additional housing units imply that new households will come to Mill Valley through in-fill development. These new units are larger and allow for families to live in the space rather than act simply as dormitories or studio apartments. Table 2 provides the major differences between the 1982 Plan and the 2010 Amendment.

Table 2: Residential Unit Differences between the 1982 Plan and the 2010 Amendment

Item	1982	2010
New On Campus Construction	93 new units/ Commercial and open space construction and renovation	19 net new units/ Commercial and open space Construction and renovation
New Off-Campus Construction	0	74 new homes, renovation of open space
New Home Sales	0	74 homes
New Marin County Residents	112	173

Source: HartWest (2010)

In addition to the on-campus units, new housing will be constructed on developable land that surrounds that GGBTS campus. Table 3 shows a possible property mix based on land sales in GGBTS’ 2010 Amendment, which provide another 74 households to Marin County. In the 1982 plan, the

expansion is focused on the GGBTS campus, which creates new households with lower income levels than off-campus residents. Further, as GGBTS's parcels are sold and developed and new homes sold by other firms -- where GGBTS intends to use the proceeds from land sales to fund on-campus expenses -- there is an economic impact due to new revenues to real estate firms, which include agency, title, escrow, and appraisal. In summary, the 2010 Amendment has both on-campus and off-campus elements that expand the economic impacts of GGBTS' properties and of Mill Valley as a whole.

Construction

There are two phases of construction in this project, an on-campus and off-campus phase. Their timing may be somewhat different. Tables 3 and 4 summarize and categorize the construction costs. Table 3 provides a projected set of properties to be built and sold by developers after GGBTS sell land to them. GGBTS will not build the properties described in Table 3; GGBTS will incur the costs in Table 4.

Table 3: Off-Campus Units to be Constructed: 2010 Amendment, \$000

Characteristics of Property	# of Units	Est. Sales Price	Est. Cost to Build	Est. Total Cost
4+ Bedroom Bayside Estate	1	\$ 2,438	\$ 2,072	\$ 2,072
4+ Bedroom City View	8	2,535	2,155	17,238
3+ Bedroom Shoreline Cottage	16	1,428	1,214	19,421
Shoreline Cottage City View	3	1,560	1,326	3,978
3+ Bedroom Penthouse Flat	4	955	812	3,248
Penthouse Flat City View	3	1,062	902	2,707
3 Bedroom Corner View Townhome	21	792	673	14,137
Townhome City View	7	880	748	5,236
3 Bedroom Direct View Townhome	11	\$ 693	\$ 589	\$ 6,480
Totals	74			\$74,517
Total Sales Revenue				\$87,667
Real Estate Industry Direct Impact	10%			\$8,766.70

Source: HartWest (2010) and MEF

Table 4: On-Campus Construction Costs: 2010 Amendment, \$000

Engineering	\$84
Management Consulting	2,449
Horticulture/Landscaping Design	726
Legal Services	40
Scientific Consulting	27
Architecture Services	843
Information Technology	8
Other Services	845
Construction	4,028
Renovations	1,325
Total	<u><u>\$10,375</u></u>

Source: HartWest (2010)

Table 5 uses the same proportions in terms of the on-campus cost categories and takes the current estimate of total construction costs for the off-campus phase and provides the same analysis; there will also be an approvals process with consulting and legal, environmental impact studies, site work and landscaping, engineering, architecture, design work otherwise, and other expenses in both phases; these are one-time costs for both phases.

Home Sales

In the 1982 Plan, the new units are on-campus; the 2010 Amendment shows a mix of on-campus and off-campus renovations. The on-campus renovations will move off-campus residents that are students, faculty and staff currently at GGBTS on-campus, leaving both existing and new homes for rent and sale within Strawberry Point. Focusing on the land sales, there will be a large amount of income to GGBTS to finance other construction and operations, but also to the developers who purchase and build on former GGBTS parcels and then sell the newly-built properties per Table 3's configuration. We assume that 10% of this revenue is shared as commissions and fees among various real estate agents, title and escrow officers, and mortgage lenders.

New Residents

The number of new residents this project brings to Marin County depends on the number of people to occupy the new residential units. Thinking of each new unit available as a potential household, there will be 74 new households off-campus; the American Community Survey of the Census Bureau estimates 2.34 people per household and a median income level of \$93,188 per household in southern Marin County. Conservatively, these figures imply 173 new residents in Marin County; if 72% of after-tax (assume 33% as the average tax rate) household income is consumed, the number of new households implies \$3,327,000 of new, annual spending in Marin County. This spending will be on myriad services; Strawberry Point's location provides easy access to retail businesses and employment for new residents throughout Mill Valley and Marin County. These new residents provide impacts that are ongoing, after the construction phase, and may also include new students, faculty and staff of GGBTS.

Table 5: Off-Campus Construction Costs: 2010 Amendment, \$000

Engineering	\$ 607
Management Consulting	17,591
Horticulture/Landscaping Design	5,213
Legal Services	287
Scientific Consulting	195
Architecture Services	6,055
Information Technology	54
Other Services	6,069
Construction	28,930
Renovations	9,516
Total	<u>\$74,517</u>

Source: HartWest (2010)

3. Economic Impact Analysis, 2010 Amendment

An economic impact analysis provides estimates of new business income, taxes and employment generated as the result of an economic event, such as a local industry's expansion. New wages earned by workers employed in new and expanding ventures are included within the augmented business incomes. New buildings and infrastructure construction provide space and support on the GGBTS campus for the campus' ongoing operations. Table 6 summarizes the direct effects of the 2010 Amendment².

Table 6: Direct Economic Impacts: 2010 Amendment

Event	Direct Economic Impact \$000
Construction On-Campus	\$10,375
Construction Off-Campus	\$74,517
Sale of homes	\$8,767
New Residents	\$3,327

Source: HartWest (2010) and MEF

This implies more business revenue for GGBTS and more employees. It also implies more revenue for Mill Valley and Marin County businesses. Next is the sale of homes in Marin County and how that generates revenue for real estate professionals within Marin County, but also bring new residents. This leads to even more impacts. Table 6 shows those events that produce direct effects and the estimates of those direct effects which trigger the total economic impacts.

This section describes the basics of an economic impact analysis, and then provides data describing the effects on Mill Valley as a result of the GGBTS expansion. Strawberry Point in Mill Valley

² The 1982 Plan's direct economic impacts are discussed in Section 4 below.

is the residential center for GGBTS workers, but the impacts include the sale and occupancy of these properties by households other than GGBTS employees. Further, the new units are to be considered affordable housing units in part, given the mix of single- and multi-family homes. New jobs and customers come from this modest expansion of residents within GGBTS' current property lines without infringing on urban growth boundaries and open space.

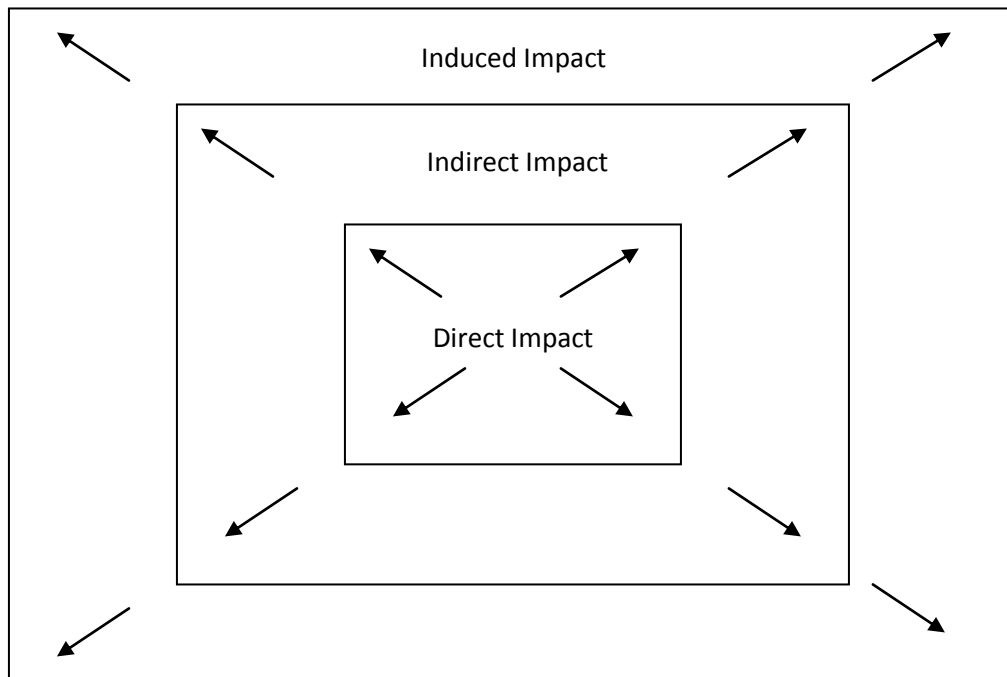
Brief Overview of Economic Impact Methodology

Like dropping a rock into a pond, an industry's expansion has ripple effects on a local economy and beyond based on new jobs created³. The IMPLAN[®] model used here, which stands for Impact analysis for PLANning, is a model by which municipalities and counties worldwide analyze the employment, revenue, wage, and tax effects of economic events. This model has three impact classifications, summing to a total effect. The **direct** effects are those specific to the event. For example, for both the construction of new facilities and their subsequent operations, hiring new employees helps generate the direct effect on local employment, tax and business revenues. The construction and operations can be these direct events. **Indirect** effects come from these workers and businesses taking their new income and spending a portion of that money on other businesses' goods and services. This revenue flow to other businesses leads to more employment, wages, revenue and taxes. For example, when a newly-hired plumber for the GGBTS project goes out to eat at a restaurant in Mill Valley, there are indirect effects from the original expansion; another example is when a restaurant uses a larger amount of a local linen cleaner's services than before, which creates indirect effects. These additional jobs and revenues then create **induced** effects. The induced effects are similar

³ The analyses are specific to Mill Valley's zip codes (94941, 94942) as most of the effects are specific to Mill Valley but will reverberate throughout Marin County.

to the indirect effects, but come from the indirectly-affected workers and firms and their economic gains. For example, a new linen-service worker, hired due to the restaurant's expansion described above, may go to the grocery store, dry cleaners, or the doctor's office more often, which induces growth in retail sales, employment and taxes. The sum of these effects is the total or overall economic impacts. The tables below are split into such categories, where the top ten industries affected are shown. In some cases, mainly the rental income and tuition increase, the effects are annual but have small employment effects versus construction. The new jobs and income are shown by the top ten industries affected; the new taxes are shown by new federal and then new state and local receipts by specific categories. Figure 1 shows the ripple effect idea of the multiplier process.

Figure 1: Economic Impact Concept



Construction Impacts

Construction, like manufacturing, has relatively large economic impacts. Unlike manufacturing, it is not an ongoing process. Once the project is complete, the impacts then end unless there are operations or someone living in what is constructed. The construction impacts' magnitude are a function of structure type, materials used to build the structures and the number of workers to be hired; the number of workers are measured in terms of full-time equivalent labor hours spent on the project. The volume of labor hours can be estimated from the project's expenditures.

Table 7: Employment Impacts: On-Campus Construction

Industry	Direct	Indirect	Induced	Total
Residential Construction	22.8	0	0	22.8
Management and Scientific Consulting	14.6	0.6	0.1	15.3
Nonresidential Construction	15.1	0.1	0.1	15.3
Business Support Services	11.1	0.3	0.1	11.5
Architectural, Engineering, and Related Services	7.5	3.3	0.1	10.9
Restaurants and Bars	0	1.3	1.9	3.2
Real Estate Services	0	1	0.9	1.9
Employment Services	0	1.5	0.2	1.7
Legal Services	0.3	0.6	0.3	1.2
Medical Offices	0	0	1	1
All Other Industries	0.2	8.6	12.4	21.2
Total	71.6	17.3	17.1	106

For the GGBTS project, there will be construction of new residential units, infrastructure and non-residential spaces, including common areas and quasi-commercial space. Notice the spread of direct effects over the industries in Tables 4 and 5. Construction provides new revenues and jobs to design and scientific services, landscaping and other allied industries. The sale of homes, the new rental of existing structures and additional student growth are more narrowly focused in their impacts. The tables show estimates of new jobs, new business revenues and new taxes created due to the master plan amendment at GGBTS.

In sum, the \$10 million dollars spent for on-campus construction per the 2010 Amendment creates over 105 new, full-time equivalent jobs, \$15 million in revenue for various, local firms, and over \$668,000 in new state and local taxes. These are one-time impacts. Ongoing effects come from the availability of new rentals and homes for sale and an expansion of students on GGBTS' campus. All figures are in 2010 dollars.

Table 8: Economic Impact, Business Revenues (On-Campus Construction), \$000

Industry	Direct	Indirect	Induced	Total
Residential Construction	\$4,028	\$ -	\$ -	\$4,028
Management and Scientific Consulting	2,449	104	13	2,566
Nonresidential Construction	2,051	17	7	2,075
Architectural, Engineering, and Related Services	927	412	7	1,346
Business Support Services	845	19	4	868
Rental Income for Property Owners	-	-	537	537
Real Estate Services	-	155	146	301
Restaurants and Bars	-	108	105	213
Legal Services	-	85	126	211
Miscellaneous Professional Services	-	45	122	167
All Other Industries	75	1,502	1,565	3,142
Total	\$10,375	\$2,447	\$2,632	\$15,454

Off-Campus Construction

GGBTS owns parcels that it wants to sell to finance its on-campus construction and ongoing operations. As a result of the land sale, these parcels will be developed per the details in Table 3. GGBTS estimates there will be 74 new households in Strawberry Point in Mill Valley, which provides 173 new residents to Marin County. The American Community Survey of the Census Bureau suggests that there is an average of 2.34 residents per household for Marin County which determines the 173 residents.

Table 9: Tax Impact: On-Campus Construction

Type of Tax	Federal	Type of Tax	State and Local
Employment Taxes	\$694,340	Employment Taxes	\$23,060
Corporate Income	26,189	Sales taxes	147,039
Personal Income	737,200	Property Tax: Commercial	117,142
Other Taxes and Fees	33,973	Property Tax: Residential	2,430
		Corporate Income	9,399
		Personal Income	242,336
		Other Taxes and Fees	127,044
Total Tax Receipts	\$1,491,702	Total Tax Receipts	\$668,450

Table 10: Employment Impacts: Off-Campus Construction

Industry	Direct	Indirect	Induced	Total
Residential Construction	163.7	0	0	163.7
Management and Scientific Consulting	104.6	4.5	0.6	109.7
Nonresidential Construction	108.1	0.9	0.4	109.4
Business Support Services	80	1.8	0.4	82.2
Architectural, Engineering, and Related Services	53.9	23.9	0.4	78.2
Restaurants and Bars	0	9.1	13.4	22.5
Real Estate Services	0	7.1	6.7	13.8
Employment Services	0	10.9	1.4	12.3
Legal Services	2.1	4.4	2.1	8.6
Medical Offices	0	0	7.4	7.4
All Other Industries	1.8	61.5	89.3	152.6
Total	514.2	124.1	122.1	760.4

The economic impacts include over 760 jobs created, \$110 million in new business revenue and over \$15 million in new tax revenues, \$4.8 million of which is state and local taxes. There are some additional costs of these residents, in terms of fire and police protection, the demand for other, local government services, and additional traffic.

Table 11: Economic Impact, Business Revenues (Off-Campus Construction), \$000

Industry	Direct	Indirect	Induced	Total
Residential Construction	\$28,930	\$ -	\$ -	\$28,930
Management and Scientific Consulting	17,591	750	96	18,437
Nonresidential Construction	14,729	119	51	14,899
Architectural, Engineering, and Related Services	6,661	2,961	50	9,672
Business Support Services	6,069	138	28	6,235
Rental Income for Property Owners	-	-	3,857	3,857
Real Estate Services	-	1,114	1,051	2,165
Wholesale and Transport Services	-	779	751	1,530
Restaurants and Bars	-	611	902	1,513
Insurance Companies and Agents	-	326	876	1,202
All Other Industries	536	10,785	11,237	22,558
Totals	\$74,516	\$17,583	\$18,899	\$110,998

New Residents

The new residents of Strawberry Point provide economic impacts in terms of new spending and creating additional labor resources. New residents and their incomes may come from anywhere in the world, but they will spend money on local businesses across a wide array of industries. Concerning new residents, their demography will dictate their demand for services, specifically government services and other costs that come with population but not necessarily economic growth. According to the R. L. Harrison Traffic and Parking Study (2010) prepared specifically for this project, traffic issues are minimal versus what currently exists and there is no change to the general infrastructure because this is in-fill growth.

Table 12: Tax Impact: Off-Campus Construction

Type of Tax	Federal	Type of Tax	State and Local
Employment Taxes	\$4,986,953	Employment Taxes	\$165,625
Corporate Income	188,098	Sales taxes	1,056,076
Personal Income	5,294,777	Property Tax: Commercial	841,348
Other Taxes and Fees	244,004	Property Tax: Residential	17,450
		Corporate Income	67,507
		Personal Income	1,740,524
		Other Taxes and Fees	912,469
Total Tax Receipts	\$10,713,832	Total Tax Receipts	\$4,800,999

In this case, the direct effect is the amount of residential spending based on the average household income in Marin County specific to Mill Valley. Tables 13 to 15 provide these estimates. We assume all parcels are occupied so there is a net of 173 new residents to Marin County, with an average household income of \$93,881 (American Community Survey, 2010).

Table 13: Employment Impacts: New Residents

Industry	Direct	Indirect	Induced	Total
Retail Stores	16.2	0	0.1	16.3
Personal Services	14.7	0.1	0	14.8
Miscellaneous Professional Services	1	0	0	1
Real Estate Services	0	0.6	0.2	0.8
Restaurants and Bars	0	0.3	0.3	0.6
Employment Services	0	0.5	0	0.5
Advertising Agencies	0	0.3	0	0.3
Maintenance for Buildings	0	0.2	0	0.2
Accounting and Bookkeeping Services	0	0.2	0	0.2
Medical Offices	0	0	0.2	0.2
All Other Industries	0.1	2.1	2	4.2
Total	32	4.3	2.8	39.1

We assume that 33% of that income is lost to taxes, and of that “disposable” income, 72% is spent locally; new residents create economic impacts of 39.1 jobs, \$3.446 million in additional, annual

business revenues, and over \$249,000 in additional taxes for Mill Valley and California. Assuming these residents remain in Marin County, these impacts are ongoing.

Table 14: Economic Impact, Business Revenue (New Residents), \$000

Industry	Direct	Indirect	Induced	Total
Miscellaneous Professional Services	\$ 832	\$ 22	\$ 1	\$ 855
Personal Services	832	8	2	841
Retail Stores	729	2	3	733
Real Estate Services	0	103	24	127
Rental Income for Property Owners	0	0	89	89
Insurance Companies and Agents	0	21	20	41
Advertising Agencies	0	18	21	39
Restaurants and Bars	0	35	3	38
Wholesale and Transport Services	0	15	17	32
Accounting and Bookkeeping Services	0	23	2	25
All Other Industries	0	373	251	625
Total	\$2,393	\$620	\$433	\$3,446

Table 15: Tax Impact: New Residents

Type of Tax	Federal	Type of Tax	State and Local
Employment Taxes	\$111,974	Employment Taxes	\$3,692
Corporate Income	14,786	Sales taxes	84,871
Personal Income	121,570	Property Tax: Commercial	67,615
Other Taxes and Fees	19,609	Property Tax: Residential	401
		Corporate Income	5,307
		Personal Income	39,963
		Other Taxes and Fees	47,393
Total Tax Receipts	\$267,939	Total Tax Receipts	\$249,242

Sale of Newly Constructed Parcels

The land sale by GGBTS is assumed to developed into 74 single-family, residential parcels; new homes imply local real estate and related services will benefit when the homes are sold. The total sales price is the genesis for real estate commissions and other fee-based income in the real estate services

industries. The real estate industry is estimated to gain 10% of the sales prices (commissions, escrow fees, title fees); the sales price estimates from Table 3 implies \$8.767 million in direct impacts to the real estate industry in Marin County.

Table 16: Employment Impacts: Real Estate Sales

Industry	Direct	Indirect	Induced	Total
Real Estate Services	55.5	2.4	0.3	58.2
Maintenance for Buildings	0	1.4	0.1	1.5
Restaurants and Bars	0	0.4	0.6	1
Employment Services	0	0.7	0.1	0.8
Architectural, Engineering, and Related Services	0	0.5	0	0.5
Legal Services	0	0.4	0.1	0.5
Nonresidential Construction	0	0.4	0	0.4
Waste Management	0	0.4	0	0.4
Medical and Dental Offices	0	0	0.3	0.3
Banks and Credit Unions	0	0.2	0	0.2
All Other Industries	0	2.5	4	6.5
Total	55.5	9.3	5.5	70.3

Table 17: Economic Impact, Business Revenues (Real Estate Sales), \$000

Industry	Direct	Indirect	Induced	Total
Real estate establishments	\$8,767	\$382	\$44	\$9,193
Rental Income for Property Owners	-	-	176	176
Insurance Companies and Agents	-	64	40	104
Waste Management	-	99	3	102
Maintenance for Buildings	-	86	5	91
Banks and Credit Unions	-	62	13	75
Architectural, Engineering, and Related Services	-	66	2	68
Legal Services	-	54	13	67
Restaurants and Bars	-	27	40	67
Nonresidential Construction	-	60	2	62
Real estate establishments	-	450	505	955
Total	\$8,767	\$1,350	\$843	\$10,960

Real estate revenue acts as the final direct effect of the 2010 Amendment; real estate sales are also (like construction) a one-time effect that will begin in 2014 once all the homes are constructed and sold. All figures here are in present value terms, 2010 dollars. Notice that the real estate sales and incomes create over 70 jobs, over \$10 million in new business revenues and over \$1.2 million in local and state taxes.

Table 18: Tax Impact: Real Estate Sales

Type of Tax	Federal	Type of Tax	State and Local
Employment Taxes	\$152,453	Employment Taxes	\$4,252
Corporate Income	89,918	Sales taxes	479,806
Personal Income	242,786	Property Tax: Commercial	382,249
Other Taxes and Fees	110,858	Property Tax: Residential	800
		Corporate Income	32,271
		Personal Income	79,810
		Other Taxes and Fees	234,888
Total Tax Receipts	\$596,015	Total Tax Receipts	\$1,214,076

The real estate transactions will provide an ongoing benefit of one percent of the sales price of the homes after the homes are sold and occupied. If the homes sell for the estimated value shown in Table 6, using one percent as the property tax rate, there would be an ongoing increase of property tax revenue to Mill Valley and Marin County of approximately \$876,000 annually.

4. Comparisons to 1982 Amendment

Both the 1982 Master Plan Amendment and the 2010 Supplemental Amendment create a total of 304 residential units within the bounds of the GGBTS property. The total includes 93 additional units that the existing number for both cases; the 1982 plan expanded the on-campus residences where the 2010 Amendment expands on-campus and sells developable land to potential expand the number of

Mill Valley households. This section asks the question about how the mix of residential property creation may change the economic impacts between the 1982 and the supplemental amendment.

There are two additional faculty and staff housing units, six new studios, five new, one-bedroom units, and 70 more three-bedroom units if the 1982 amendment were followed rather than the supplemental amendment which only reduces the number of dorms by two rather than 11 and adds 74 more households to the Seminary itself. Table 19 provides the categorical breakdown of GGBTS construction on-campus per the estimate costs of the 1982 Plan.

Table 19: On-Campus Construction Costs: 1982 Plan

Engineering	\$221
Management Consulting	6,400
Horticulture/Landscaping Design	1,896
Legal Services	105
Scientific Consulting	71
Architecture Services	2,203
Information Technology	20
Other Services	2,208
Construction	10,525
Renovations	3,462
Total	<u>\$27,111</u>

Source: HartWest (2010)

There will be more residents in Marin County as a result of the land sale and subsequent development rather than a large expansion of the seminary student body. If the focus of the proposed build-out is on the Seminary student body, their economic lives will be focused on the campus and its amenities rather than Mill Valley and Marin County. This lowers the overall economic impacts from household consumption, real estate sales, and the construction of the properties if the 1982 amendment is followed. The assumption here is that the number of new Marin County residents in the

1982 Plan is only 112, or 1.2 persons per new residential unit; we also assume these new households have annual incomes of approximately \$30,000 per year at a 25% tax rate given they would be primarily an expansion of GGBTS staff, faculty and students. A comparison of the direct economic effects from Table 3 and the 1982 Plan are shown in Table 20; the economic impacts of impacts are summarized in the Tables 21 to 26

Table 20: Direct Economic Impacts Comparison: 1982 Plan to 2010 Amendment

Event	2010 Direct Economic Impact \$	1982 Direct Economic Impact
Construction On-Campus	\$10,375	\$27,111
Construction Off-Campus	\$74,517	
Sale of homes	\$8,767	
New Residents (annual)	\$3,327	\$1,199

Source: HartWest (2010) and MEF

Table 21: 1982 Plan Employment Impacts: On-Campus Construction

Industry	Direct	Indirect	Induced	Total
Residential Construction	59.6	0	0	59.6
Management and Scientific Consulting	38	1.6	0.2	39.8
Nonresidential Construction	39.3	0.3	0.1	39.7
Business Support Services	29.1	0.7	0.1	29.9
Architectural, Engineering, and Related Services	19.6	8.7	0.1	28.4
Restaurants and Bars	0	3.3	4.9	8.2
Real Estate Services	0	2.6	2.4	5
Employment Services	0	4	0.5	4.5
Legal Services	0.8	1.6	0.8	3.2
Medical Offices	0	0	2.7	2.7
Residential Construction	0.6	22.3	32.6	55.5
Total	187	45.1	44.4	276.5

The on-campus construction leads to similar industries and effects on Marin County as the on-campus construction does in the 2010 Amendment. The major difference, as shown in

Table 26 below, is that these properties were intended for use by faculty, students and staff rather than the public at large as in the 2010 Amendment. Further, these parcels are not meant for full families as households because they are somewhat transition housing from one student or worker to the next.

Table 22: 1982 Plan Impacts, Business Revenues (On-Campus Construction), \$000

Industry	Direct	Indirect	Induced	Total
Residential Construction	\$10,525	\$ -	\$ -	\$10,525
Management and Scientific Consulting	6,400	273	35	6,708
Nonresidential Construction	5,358	43	19	5,420
Architectural, Engineering, and Related Services	2,423	1,077	18	3,518
Business Support Services	2,208	50	10	2,268
Rental Income for Property Owners	-	-	1,403	1,403
Real Estate Services	-	405	382	787
Wholesale and Transport Services	-	283	273	556
Restaurants and Bars	-	222	328	550
Insurance Companies and Agents	-	119	319	438
All Other Industries	195	3,924	4,088	8,207
Total	\$27,109	\$6,396	\$6,875	\$40,380

Table 23: 1982 Plan Tax Impacts: On-Campus Construction

Type of Tax	Federal	Type of Tax	State and Local
Employment Taxes	\$1,814,263	Employment Taxes	\$60,255
Corporate Income	68,431	Sales taxes	384,203
Personal Income	1,926,251	Property Tax: Commercial	306,084
Other Taxes and Fees	88,769	Property Tax: Residential	6,348
		Corporate Income	24,559
		Personal Income	633,206
		Other Taxes and Fees	331,959
Total Tax Receipts	\$3,897,714	Total Tax Receipts	\$1,746,614

The new residents in the 1982 Plan were centered on the GGBTS campus. Their incomes and spending were assumed to be focused on GGBTS services and work rather than Mill Valley and Marin County at large as in the 2010 Amendment. However, similar industries are affected as in the 2010 Amendment; these new residents spend either directly on the county economy or indirectly through paying GGBTS revenue for tuition or services, and then GGBTS purchasing these services as a business throughout Marin County. Tables 24 to 26 show this information.

Table 24: 1982 Plan Employment Impacts: New Residents

Industry	Direct	Indirect	Induced	Total
Retail Stores	17.5	0	0	17.5
Personal Services	5.3	0	0	5.3
Real Estate Services	0	0.4	0.1	0.5
Miscellaneous Professional Services	0.4	0	0	0.4
Restaurants and Bars	0	0.1	0.2	0.3
Employment Services	0	0.2	0	0.2
Advertising Agencies	0	0.1	0	0.1
Maintenance for Buildings	0	0.1	0	0.1
Medical and Dental Offices	0	0	0.1	0.1
Accounting and Bookkeeping Services	0	0.1	0	0.1
All Other Industries	0	1.1	1.4	2.5
Total	23.2	2.1	1.8	27.1

Table 25: 1982 Plan Economic Impact, Business Revenues (New Residents), \$000

Industry	Direct	Indirect	Induced	Total
Retail Stores	\$788	\$2	\$2	\$792
Miscellaneous Professional Services	300	10	1	311
Personal Services	300	3	1	304
Real Estate Services	0	55	16	71
Rental Income for Property Owners	0	0	58	58
Insurance Companies and Agents	0	11	13	24
Restaurants and Bars	0	8	14	22
Advertising Agencies	0	19	2	21
Wholesale and Transport Services	0	9	11	20
Medical and Dental Offices	0	0	16	16
All Other Industries	0	197	151	348
Total	\$1,388	\$314	\$285	\$1,987

Table 26: 1982 Plan Tax Impacts: New Residents

Type of Tax	Federal	Type of Tax	State and Local
Employment Taxes	\$ 71,531	Employment Taxes	2,334
Corporate Income	7,077	Sales taxes	68,530
Personal Income	80,125	Property Tax: Commercial	54,596
Other Taxes and Fees	15,833	Property Tax: Residential	264
		Corporate Income	2,540
		Personal Income	26,339
		Other Taxes and Fees	33,250
Total Tax Receipts	\$174,566	Total Tax Receipts	\$187,183

Table 27 summarizes the total economic impacts from the 2010 and 1982 plans respectively and shows the differences. Notice that due to the off-campus construction and the larger number of new residents for in-fill development, there are more jobs created initially and on-going, as well as more tax revenue due to the augmented property taxes and local spending. In short, the 2010 Amendment creates almost \$100 million more in business revenue initially, with almost \$5 million of new tax revenue, and creates over 760 jobs. Once the construction phase ends, the 2010 Amendment creates

over \$1.4 million in ongoing, new business revenue, eight new jobs, and almost \$1 million in new state and local tax receipts. Of these new tax receipts, over \$900,000 is additional for Mill Valley and Marin County.

Table 27: Differential Impacts, 2010 Amendment to 1982 Master Plan Amendment

Task	Jobs	Business Income (\$000)	State and Local Tax Revenues (\$000)
On-Campus Construction	-70.5	-\$24,926	-\$1,079
Sales of Parcels	+70.3	+\$10,960	+\$1,214
Off-Campus Construction	+760.4	+\$110,998	+\$4,801
New Households (Annual)	+8.0	+\$1,459	+\$62
Property Taxes on New Homes (Annual)			+877
One-Time Totals	+760.2	+\$97,032	+\$4,936
Ongoing Totals	+8	+\$1,459	+\$939

5. Social and Environmental Impacts

The social impacts of this expansion include new revenues for local government and expanded distribution of housing across income levels. The in-fill growth that comes from either master plan amendment allows growth without infringing on current town boundaries or removing land purposed otherwise to support growth. Much depends on how local government uses these new funds. Public safety can be enhanced by new tax receipts that come from this in-fill growth. Local schools can also be provided with more revenue from these new tax receipts. One challenge will be the growth of local school population if many of these new households are families with children.

Environmental impacts from this expansion will be minimal; the amended master plan has taken into consideration the traffic and infrastructure pressure to be caused by this change. If new households were added to Mill Valley, the likely number of new residents would be over 200 new residents including the multiplier effects. Because this is an in-fill project, the current master plan in Mill

Valley will not be damaged and the current infrastructure is in place to support these new residents. The activity on the GGBTS campus will not come from carbon-based transportation or facilities, as the new buildings and repurposed ones will be carbon neutral. The monitoring of traffic and other environmental problems that could flow from this project is a key to preserving environmental balance throughout Marin County. According to the R. L. Harrison Traffic and Parking Study (2010) prepared specifically for this project, traffic issues are minimal versus what currently exists and there is no change to the general infrastructure because this is in-fill growth.

On the margin, new residents mean more cars, noise, traffic and water/electricity use. However, since many of these new residents will be occupying currently used or defined space, there is little difference versus Mill Valley's current situation. Further, since current and some new residents will be located at new units on Strawberry Point, the campus provides new infrastructure and services that will not infringe on Mill Valley. Please see the traffic impact report for more (Harrison, 2010).

6. Conclusions

This report showed both the economic impacts from the 2010 Amendment to the 1982 Master Plan Amendment for Golden Gate Baptist Theological Seminary (GGBTS) and a comparison of the 2010 Amendment and the original plan's impacts. Socially, these projects provide are more affordable housing in Marin County, which are in part provided by the employer as a model for other employers in Marin. The location of those new in-fill growth parcels are close to Mill Valley and Corte Madera, and thus reduce the amount of traffic, greenhouse gas emissions, and other environmental issues that may be generated as a result of growth. Further, this project is using only green building standards and materials, and is meant to be carbon neutral when finished. These changes should be monitored and

shaped to enhance Marin County in a balanced way as this growth takes place. In sum, the economic, social and environmental impacts are all positive in net, and the master plan amendment.

Economically, the 2010 Amendment construction projects, including the building of new residential units by private developers on land sold to them by GGBTS, generate over \$125 million in new business revenues, 866 jobs and over \$5 million in one-time state and local taxes. The sales of newly constructed homes generate more one-time effects; over 70 jobs, \$10 million in business revenue and \$1 million in state and local taxes. The ongoing impacts from new property taxes and new residents is over 39 new jobs, almost \$2 million in new business revenue and over \$1.1 million in new tax revenues, most of which is captured locally. All data is in 2010 dollars.

The impacts of the 1982 Plan and the differences are repeated from Tables 1 and 26 below.

One-Time Impacts, Downtown Strawberry/Mill Valley, \$000

Amendment/ Master Plan	Task	Jobs	Business Income \$000	State and Local Tax Revenues (\$000)
2010	On-Campus Construction	106.0	\$15,454	\$668
2010	Sales of Parcels	70.3	\$10,960	\$1,214
2010	Off-Campus Construction	760.4	\$110,998	\$4,801
1982	On-Campus Construction	276.5	\$40,380	\$1,747

Ongoing Annual Impacts, Downtown Strawberry/Mill Valley, \$000

Amendment/ Master Plan	Task	Jobs	Business Income \$000	State and Local Tax Revenues (\$000)
2010	New Households	39.1	\$3,446	\$249
2010	Property Taxes			\$877
1982	New Households	27.1	\$1,987	\$187

Differential Impacts, 2010 Amendment compared to 1982 Master Plan Amendment

Task	Jobs	Business Income (\$000)	State and Local Tax Revenues (\$000)
On-Campus Construction	-70.5	-\$24,926	-\$1,079
Sales of Parcels	+70.3	+\$10,960	+\$1,214
Off-Campus Construction	+760.4	+\$110,998	+\$4,801
New Households (Annual)	+8.0	+\$1,459	+\$62
Property Taxes on New Homes (Annual)			+877
One-Time Totals	+760.2	+\$97,032	+\$4,936
Ongoing Totals	+8	+\$1,459	+\$939

7. References

American Community Survey (2010) "Marin County Median Household Income", Census Bureau, Washington, D.C.: Accessed at www.census.gov on May 1, 2010.

HartWest (2010) "Golden Gate Baptist Theological Seminary Master Plan Amendment", HartWest, Novato, CA

Minnesota IMPLAN Group (2010) "Marin County" Data for Marin County. Accessed May 15, 2010.

R.L. Harrison Transportation Planning (2010) "Golden Gate Baptist Theological Seminary: Master Plan Update, Traffic Impact Study", Tiburon, CA.