

**Economic Impact Report
Proposed Home Depot Design Center Long Beach
Executive Summary**

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The proposed retail development on Studebaker Road would replace a former petroleum storage facility with a Home Depot Design Center, a restaurant, and other retail establishments.

The construction costs of the Home Depot Design Center and Community Service retail related establishments are \$21.5 million. The construction activity would generate 221 direct jobs and another 63 indirect and 116 induced jobs or a total regional impact of 400 jobs.

The Home Depot Design Center is intended to attract an interior design clientele. In its first year of operation it is expected to generate 163 new jobs in Long Beach, with an average payroll of \$30,000 per job, per year. Home Depot's corporate policy is that workers employed more than 30 hours are benefited workers. The total number of jobs created by the Home Depot Design Center, including indirect and induced effects, is 312 new jobs.

Estimated sales, during its first year of operation, are \$50 million at the Home Depot Design Center. These sales generate taxable revenues of \$4.1 million, of which \$500,000 accrues to the general fund of the City of Long Beach.

The proposed restaurant is to be a family oriented establishment serving breakfast, lunch and dinner. The restaurant will generate 25 jobs and taxable sales of \$1.1 million. The share of taxable sales to the City of Long Beach is \$10,600 in the first year of operation.

Other retail establishments at the retail center will generate 30 jobs in Long Beach with taxable sales of \$3.9 million. From the city's perspective, this implies an additional \$39,000 of general fund receipts.

Upon completion of the Home Depot Design Center and community service retail development, the estimated assessed value is \$48.2 million. The City's share of the property tax is over \$100,000 annually.

During the first year of operation, the full fiscal impact of this retail development to the City is in excess of \$650,000.

The total employment impact to the region, excluding the construction impact, is 389 new jobs. These jobs involve a payroll of \$12.9 million and generate output valued at \$42.5 million.

The proposed retail project includes extensive landscaping and rich architectural treatments to improve the overall appearance of the property along Studebaker Road and the beautification of the east gateway to the City of Long Beach by the improvements to the 7th St. park adjacent to Kettering Elementary School. As part of the project, developer will spend more than \$2 million in traffic improvement measures, only part of which is mitigation measures associated with the development.