

April 2023



Economic Impact of Capital Square's Projects on the Richmond Metropolitan Area

Methodology and Approach and Economic Impacts

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Executive Summary

Capital Square engaged FTI Consulting to analyze the economic and fiscal impacts of five mixed-use projects in the Scott's Addition neighborhood of Richmond, Virginia, during their construction and operation. Four of the projects have been recently completed (INK, VIV, GEM, and Otis), and one is starting construction (Chasen) and projects to open in the mid-2020s.

Capital Square provided information regarding its financial activities, direct employment, and the planned square footage available for rent by commercial tenants (e.g., restaurants or retail stores) or for internal Capital Square use for each of these projects. This information, along with federal data, were used as inputs into IMPLAN – an economic impact model used by academia, consulting firms, and government agencies at all levels. IMPLAN works by transforming direct employment or expenditures into their “indirect” effect on supply chains and the “induced” effect of consumer spending (e.g., the wages earned by a construction worker being later spent on groceries).

ES Table 1 and ES Table 2 show, respectively, the impact of the five projects during the construction phase and the operations phase on an average annual basis. Construction includes the period when the mixed-use projects are being built and furnished internally for occupation. Operations commence once projects are ready for outside leasing to residential and commercial tenants and include Capital Square’s direct employees for leasing and maintenance as well as tenant employees. ES Table 1 and ES Table 2 show only the aggregate results for Capital Square across the five projects, while results for each of the five projects are available in the Main Findings section.

ES Table 1 – Construction phase (annual average)

Result	Units	Direct	Indirect	Induced	Total
Employment	Jobs (#)	906	184	393	1,483
Output	2023 \$ (millions)	\$128.4	\$44.2	\$71.9	\$244.5
GDP	2023 \$ (millions)	\$73.1	\$24.5	\$43.0	\$140.6
Labor Income	2023 \$ (millions)	\$63.9	\$14.7	\$22.9	\$101.5
Federal Taxes	2023 \$ (millions)	\$13.6	\$3.0	\$5.4	\$22.0
S&L Taxes	2023 \$ (millions)	\$2.3	\$2.5	\$4.9	\$9.7

According to ES Table 1, the five projects together support 1,483 jobs throughout the Richmond MSA during the construction phase. Of those jobs, 906 would be directly involved in the construction (i.e., construction firms and contractors) with 184 indirect jobs in their supply chain and 393 indirect jobs supported by compensation paid to direct and indirect workers.

ES Table 1 also shows the projects supporting an annual average of \$244.5 million in output, \$140.6 million in GDP for the Richmond MSA, \$101.5 million in labor income, and \$9.7 million in revenues for the Commonwealth and local governments. These state and local revenues help support other public investments, such as education, highways and bridges, and public safety.

ES Table 2 – Operations phase (annual average)

Result	Units	Direct	Indirect	Induced	Total
Employment	Jobs (#)	33	15	15	63
Output	2023 \$ (millions)	\$23.2	\$3.4	\$2.7	\$29.3
GDP	2023 \$ (millions)	\$19.5	\$1.8	\$1.6	\$22.9
Labor Income	2023 \$ (millions)	\$2.3	\$1.0	\$0.9	\$4.2
Federal Taxes	2023 \$ (millions)	\$3.2	\$0.4	\$0.4	\$4.0
S&L Taxes	2023 \$ (millions)	\$6.9	\$0.4	\$0.4	\$7.7

ES Table 2 shows the average annual economic and fiscal impacts during the operations phase once the five projects begin residential and commercial operations. The 33 direct jobs in ES Table 2 include leasing and maintenance personnel employed by Capital Square and the anticipated employees of commercial tenants occupying the various street-level storefronts.

According to ES Table 2, the 33 direct jobs would support an annual average of 15 indirect jobs and 15 induced jobs for a total of 63 jobs supported across the Richmond MSA. The other economic and fiscal impacts would include an average annual impact of \$29.3 million to output, \$22.9 million to GDP, \$4.2 million to labor income, and \$7.7 million to state and local tax revenues. **Counting only local revenues during construction,¹ the five projects support \$4.214 million per year. Counting only local revenues during operations, the five projects support \$4.460 million per year.**

Overall, Capital Square’s five residential and commercial mixed-use projects have a positive impact on the economies of Scott’s Addition, the Richmond MSA,² and the Commonwealth. Additionally, these projects help address the housing “crisis” in availability and affordability recently declared by the Richmond City Council by adding supply to the regional housing market.³

¹ Based on assuming 28.3% of sales taxes, 100% of property taxes, and 25% of other taxes accrue to local governments

² The counties and independent cities making up the “Central Virginia” region as defined by the U.S. Census Bureau

³ <https://www.wric.com/news/local-news/richmond/city-of-richmond-officially-declares-housing-crisis/>

Introduction

This report summarizes FTI’s assessment of the economic and fiscal impacts of Capital Square’s five residential/commercial mixed-use projects in the Richmond, Virginia metropolitan statistical area (“Richmond MSA”).⁴ The projects consist of 911 new housing units and ground-floor commercial space occupied by office, food and beverage, retail, and fitness tenants.

This report includes short descriptions of Capital Square, its real estate business, and the five projects under study, with links to more information. It then describes the Richmond MSA and its economy before ultimately explaining the methodology and approach used for the economic impact analysis. Aggregate results for the construction and operations phases of the five projects is then shown on an annualized basis before delineating the results for each of the five projects.

Capital Square

Capital Square, a vertically integrated real estate investment firm, has acquired close to 160 residential and commercial properties and raised over \$2.85 billion of investments since its inception in 2012. Capital Square specializes in tax-advantaged real estate investments, including Delaware statutory trusts for Section 1031 exchanges, qualified opportunity zone funds for tax deferral and exclusion, and a real estate investment trust (often known as “REITs”). In recent years, the company has become an active developer of mixed-use multifamily properties in the Southeast.

Beginning in July 2019, Capital Square has launched eight funds focusing on real estate investments in opportunity zones for investors seeking to invest in economically distressed communities. These funds also seek to leverage tax benefits provided by the Tax Cuts and Jobs Act of 2017.⁵ Five of these funds helped enable the construction of five mixed-use projects in an opportunity zone located in the Scott’s Addition neighborhood of Richmond, Virginia.⁶ Three of the five projects compose Scott’s Collection (INK, VIV, GEM) along with two others nearby (Otis, Chasen).⁷

Richmond MSA

The Richmond MSA, sometimes referred to as the “Greater Richmond Region” or “Central Virginia,” has a population of 1.3 million. The region consists of four independent cities and 12 counties in the Commonwealth of Virginia.⁸ Real per capita income for the Richmond MSA is roughly \$58,400,⁹ which is about 25% higher than the U.S. national average of \$46,700.¹⁰

⁴ As defined by the U.S. Census Bureau, the Richmond MSA includes the independent cities of Richmond, Petersburg, Hopewell, and Colonial Heights as well as Amelia, Charles City, Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, King William, New Kent, Powhatan, Prince George, and Sussex Counties

⁵ <https://www.capitalsq.com/about-capital-square/>

⁶ <https://scottsaddition.com/>

⁷ <https://scottscollection.com/>

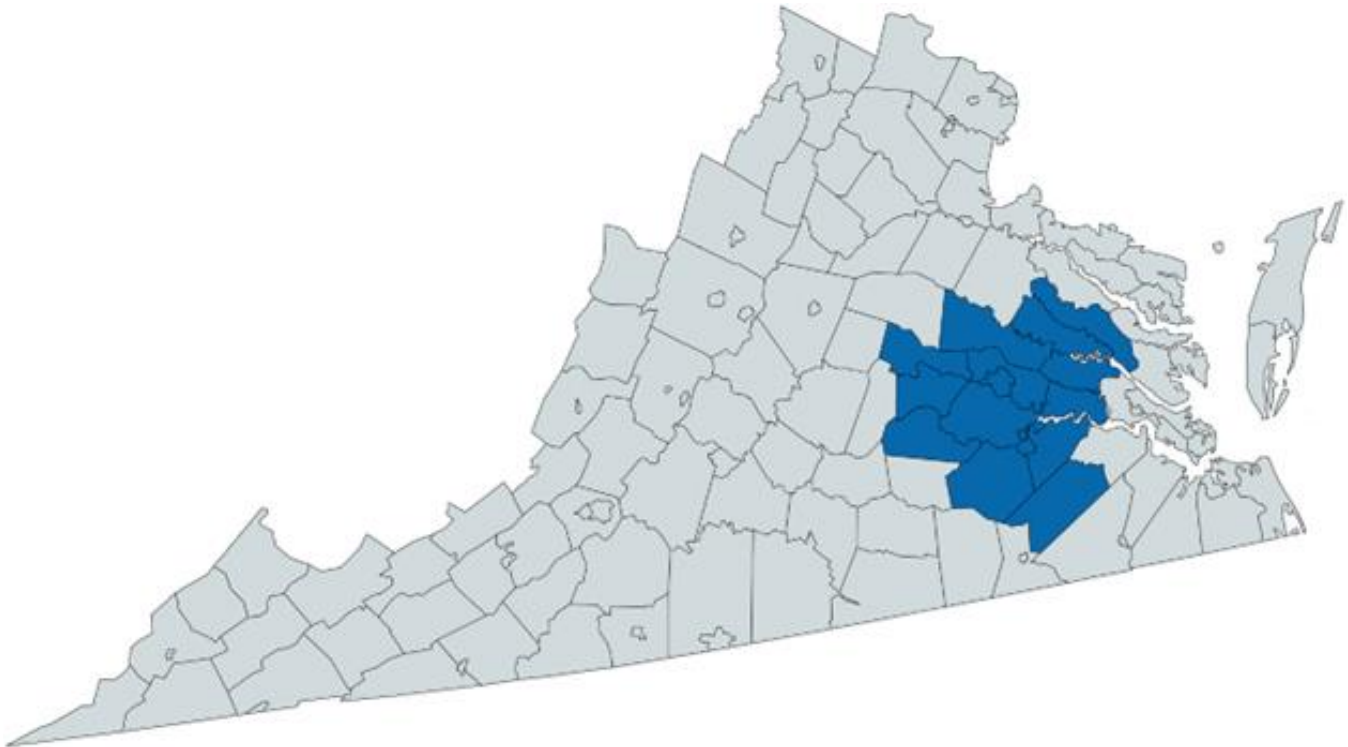
⁸ <https://www.census.gov/library/visualizations/interactive/2020-population-and-housing-state-data.html>

⁹ <https://fred.stlouisfed.org/series/RPIPC40060>

¹⁰ <https://fred.stlouisfed.org/series/A229RX0>

Like so many cities and states across the U.S., both Richmond and the Commonwealth of Virginia have an underproduction or a shortage of housing. One report estimates that the Commonwealth has an undersupply of 105,000 housing units.¹¹ The Richmond City Council recently “declared a housing crisis” and seeks to implement policies to increase supply and reduce prices.¹²

Figure as – Map of the independent cities and counties included in the Richmond MSA¹³



Scott’s Addition and the Projects

Scott’s Addition is a historic district in downtown Richmond bounded by West Broad Street, North Arthur Ashe Boulevard, Interstate 195, and the Richmond, Fredericksburg, and Potomac railroad tracks. According to a neighborhood association, Scott’s Addition was established in 1901 and features amenities for residents such as, “Breweries and boutique bowling, ciders and cinema, restaurants and rooftops and retail, all within walking [distance].”¹⁴

The locations of the five projects are as follows:

1. **INK at Scott’s Collection** – INK is located at 3000 W Clay St. and includes 80 housing units. INK is one of the three interconnected projects called “Scott’s Collection,” along with VIV and GEM.¹⁵

¹¹ <https://upforgrowth.org/apply-the-vision/housing-underproduction/>

¹² <https://www.wric.com/news/local-news/richmond/city-of-richmond-officially-declares-housing-crisis/>

¹³ Caroline, Cumberland, and Louisa Counties have sometimes been included in the Richmond MSA but not in this analysis

¹⁴ <https://scottsaddition.com/about/>

¹⁵ <https://scottscollection.com/>

Additionally, INK includes 939 square feet of commercial office space that Capital Square has leased as its development and leasing office for the neighborhood.

2. **VIV at Scott's Collection** – VIV is located at 2900 W Clay St. and includes 58 housing units. VIV also features 1,960 square feet of commercial space, 1,125 of which is currently leased to a fitness tenant. The other 835 is leased to a coffee shop.¹⁶
3. **GEM at Scott's Collection** – GEM is located at 3001 W Leigh St. and includes 71 housing units. GEM features 1,869 square feet of commercial space and is currently leased to a fast casual restaurant (i.e., where patrons sit down for service at a table).
4. **Otis** – Otis is located at 1601 Roseneath Rd. and includes 350 housing units and 380 parking spaces. Otis includes the most extensive commercial space.
 - a. 2,129 square feet for a gardening store
 - b. 2,320 square feet for limited-service restaurants
 - c. 5,595 square feet for full-service restaurants
 - d. 1,168 square feet for a salon
 - e. 2,163 square feet for a retail store
5. **Chasen** – Chasen will feature over 350 additional residential units and over 5,000 square feet of commercial space.

INK, VIV, GEM, and Otis are presently at or near completion and ready for commercial operations. Chasen is projected to open in mid-2025. Additional information on each of the projects and Capital Square's current and planned footprint in Scott's Addition is available online.¹⁷

The next section discusses how Capital Square's financial data around building and operating these projects was converted into inputs for the economic impact modeling.

¹⁶ "A restaurant in which service is kept to a minimum, and a customer's interactions with staff ends when the customer receives their food," <https://www.touchbistro.com/blog/what-is-a-limited-service-restaurant/>

¹⁷ <https://www.capitalsq.com/development/>

Methodology and Approach

For this analysis, FTI relied on a three-step process to generate inputs for an economic and fiscal impact model called IMPLAN.¹⁸ The three-step process included (1.) converting data from Capital Square into inputs appropriate for IMPLAN, (2.) running simulations in IMPLAN, and (3.) the processing of modeling outputs from IMPLAN into the results in this report.

The following subsections describe these processes in detail, any assumptions made as a part of the analysis, and any outside data sources not originating from Capital Square.

Modeling Inputs

- Capital Square provided financial data describing the size, category (e.g., construction labor, architecture and engineering services, legal services, etc.), and timing of investments made to construct each of the projects before their openings.
- Capital Square also provided financial data on its operations, including the number of leasing agents and maintenance personnel, their compensation, and anticipated revenues from the residential and commercial leases. For the spaces to be rented to outside firms, rather than occupied by Capital Square itself, Capital Square provided the commercial square footage by project and the enterprise(s) most likely to occupy it (e.g., restaurants).
- These expenditures and the direct operations employment were mapped into appropriate IMPLAN sectors¹⁹ for the five projects. This was completed by year for both the construction phase and the operations phase. The square footage for commercial tenants was converted to direct employment by dividing the square footage by the implied square feet per employee observed in the Commercial Buildings Energy Consumption Survey.²⁰

IMPLAN Simulations

IMPLAN is an input-output (“IO”) model of regional economies. IMPLAN describes the movement of dollars throughout the regional economy, including linkages between different economic sectors and industries in their supply chains, between employees and employers on the labor market, and between the private sector and public sector through taxes and government budgets. The IO methodology won its progenitor, Wassily Leontief, the Nobel Prize in 1973.²¹

IMPLAN illustrates how an initial change in employment or expenditures will influence the rest of the economy. IMPLAN describes these “ancillary” or “ripple” effects through its “indirect” and “induced” multiplier effects, which are described in detail here:

¹⁸ <https://support.implan.com/hc/en-us/articles/360038285254-How-IMPLAN-Works>

¹⁹ <https://support.implan.com/hc/en-us/articles/115009674428-IMPLAN-Industries-NAICS-Correspondences>

²⁰ <https://www.eia.gov/consumption/commercial/data/2018/index.php?view=characteristics#b3-b5>

²¹ <https://www.nobelprize.org/prizes/economic-sciences/1973/leontief/facts/>

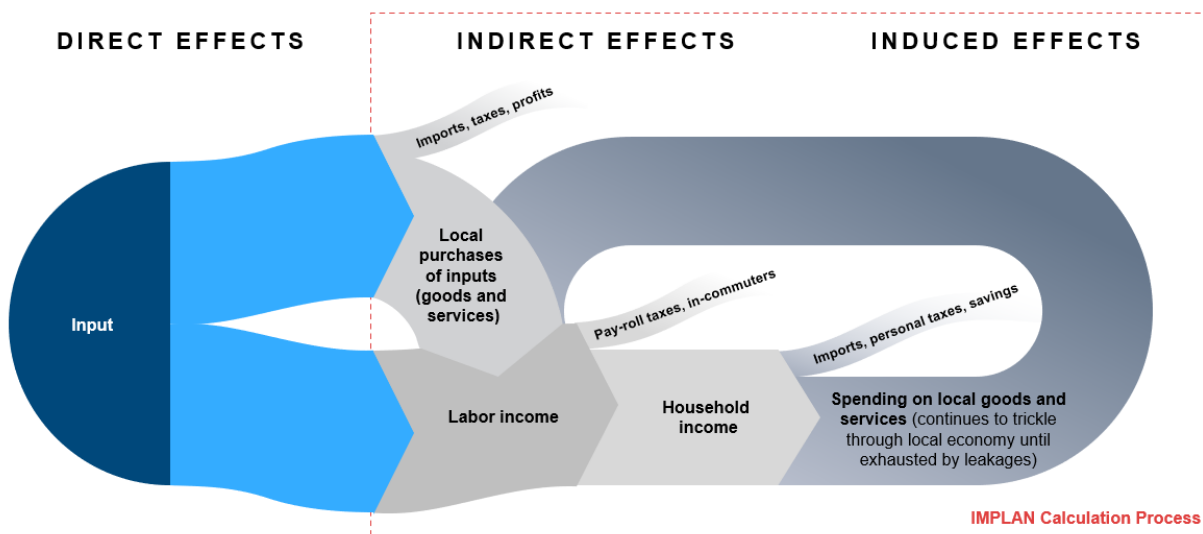
- **Direct Effect** – The direct effect is either spending by Capital Square, such as on construction services, its direct leasing and maintenance employees, and/or the direct employment of the commercial enterprises associated with the five projects.
- **Indirect Effect** – The indirect effect is the connection between the direct employment or expenditures on industrial supply chains. For instance, construction services will require numerous material inputs (metal, wood, other building materials, etc.) and components (appliances, bathroom fixtures, etc.) provided by manufacturing firms in the supply chain. These manufacturers, in turn, have their own input needs for components and materials stretching all the way back to the raw inputs to an economy.

Services can also be part of the industrial supply chain. For instance, tenant-occupied real estate will occasionally require legal services to mediate disputes about the project, hence stimulating the demand for professional and legal services.

- **Induced Effect** – The induced effect is the effect that the wages, salaries, and benefits paid to direct and indirect employees has on the economy. Those workers take their pay home and eventually spend it, which supports consumer-oriented sectors such as healthcare, education, real estate, retail, entertainment, transportation, and food services.

Figure 1 shows the steps in this process. The direct inputs to the left influence the indirect impacts in the middle of Figure 1. The direct and indirect effects then contribute to the induced effect via wages, salaries, and benefits, which then circle back into the economy as spending.

Figure 1 – IMPLAN flowchart



Modeling Results

IMPLAN provides six results – four of which measure macroeconomic performance while the other two measure government tax revenues. While not an ironclad rule, economists have observed that a larger

economy tends to support more tax revenues. This relationship is called Hauser's Law at the federal level,²² though it is applicable to the results for Capital Square here.

The six metrics include:

1. **Employment** – the jobs by the U.S. Bureau of Economic Analysis's definition of employment (counting the number of jobs and not the number of employees)
2. **Output** – sometimes called "business sales" or "sales output," the sum of all revenues of private and public enterprises in the region in a particular year
3. **Gross Domestic Product ("GDP")** – sometimes called "value added," the sum of all net new economic activity in the region (i.e., sales output minus value of intermediate inputs) and regional contribution to the grand total of state and U.S. GDP
4. **Labor Income** – the share of economic activity accruing to labor and households in the form of wages and salaries, other compensation, benefits such as the cash-equivalent value of health insurance provided by employers, and the income of proprietors
5. **Federal Taxes** – taxes collected by the federal government, mostly in the form of income taxes and payroll taxes paid to support healthcare and retirement benefits
6. **State and Local ("S&L") Taxes** – taxes collected by the state and local governments, which oftentimes but not always include state income taxes, municipal income taxes, sales taxes, various user fees and other charges, and property taxes

Federal taxes and S&L taxes have subcategories for the different revenue streams relied upon for public finance (e.g., income taxes or sales taxes, etc.). For this analysis, these are aggregated into income, payroll, corporate, sales, property, and other taxes.

Local Taxes

While not endogenous to the default IMPLAN structure, this analysis used the IMPLAN results to estimate the impact to local tax collections – i.e., removing those attributable to the government of the Commonwealth and leaving only local governments in the Richmond MSA.

This involves assuming no income, payroll, or corporate taxes accrue to local governments; 28.3% of sales taxes, 100% of property taxes, and 25% of other taxes.

The 28.3% figure is based on the City of Richmond's 1.7% sales tax on top of the 4.3% sales tax²³ of the Commonwealth.²⁴ The 100% of property taxes is assumed, and the 25% share of "other taxes" is to make a conservative estimate of collections by special districts.

²² <https://www.hoover.org/research/hausers-law>

²³ 1.7% divided by 1.7% plus 4.3% (or 6.0%) equals 28.3%

²⁴ <https://www.salestaxhandbook.com/virginia/rates>

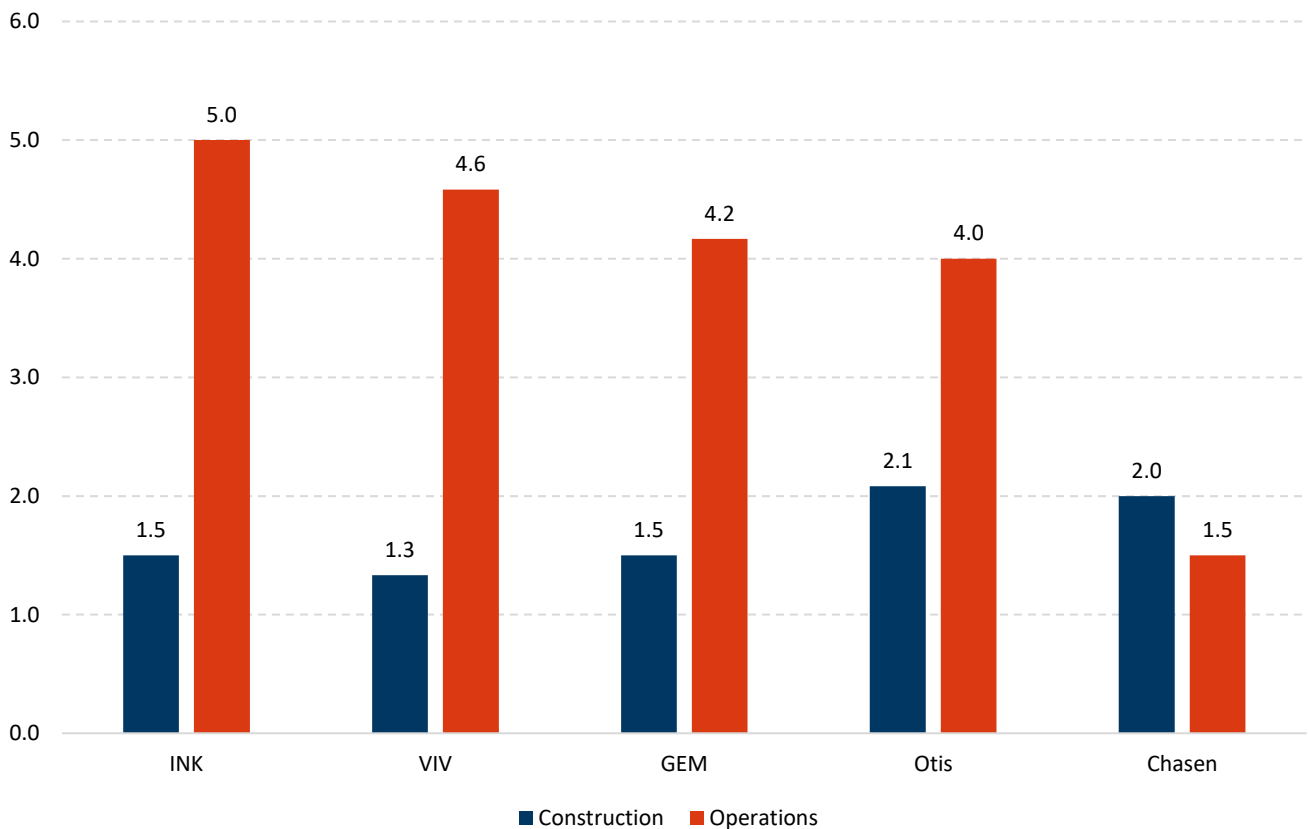
Main Findings

This section presents the results of the analysis for Capital Square overall, followed by the results of each of the five projects. The results are presented as the direct, indirect, and induced impacts for the six economic and fiscal impact metrics for the construction phase (e.g., Table 1) and the operations phase (e.g., Table 2). The results also include the impacts to local taxes.

The results are presented as the average annual impact by phase to make the projects comparable to one another, and to account for their different timelines (e.g., the Scott’s Collection projects opening in 2022 and 2023 while Chasen will open later in the 2020s). The average annual impact for each of the phases is determined by taking the sum of the impact from 2020 through 2026 and dividing it by the length of each phase to determine the annual average economic impact.

For example, INK was under construction from mid-2020 through 2021, which implies a construction phase of 1.5 years. Hence, its construction-related impacts were summed across 2020 and 2021 and divided by 1.5 to produce average annual impacts. This process was repeated with operations but for a different count of the number of years to reflect that phase. Figure 2 describes these lengths in years for construction and operations for each project through end of 2026.

Figure 2 – Length of years by phase for each project



Capital Square – Overall

Table 1 – Construction phase (annual average)

Result	Units	Direct	Indirect	Induced	Total
Employment	Jobs (#)	906	184	393	1,483
Output	2023 \$ (millions)	\$128.4	\$44.2	\$71.9	\$244.5
GDP	2023 \$ (millions)	\$73.1	\$24.5	\$43.0	\$140.6
Labor Income	2023 \$ (millions)	\$63.9	\$14.7	\$22.9	\$101.5
Federal Taxes	2023 \$ (millions)	\$13.6	\$3.0	\$5.4	\$22.0
S&L Taxes	2023 \$ (millions)	\$2.3	\$2.5	\$4.9	\$9.7

Table 2 – Operations phase (annual average)

Result	Units	Direct	Indirect	Induced	Total
Employment	Jobs (#)	33 ²⁵	15	15	63
Output	2023 \$ (millions)	\$23.2	\$3.4	\$2.7	\$29.3
GDP	2023 \$ (millions)	\$19.5	\$1.8	\$1.6	\$22.9
Labor Income	2023 \$ (millions)	\$2.3	\$1.0	\$0.9	\$4.2
Federal Taxes	2023 \$ (millions)	\$3.2	\$0.4	\$0.4	\$4.0
S&L Taxes	2023 \$ (millions)	\$6.9	\$0.4	\$0.4	\$7.7

²⁵ Includes Capital Square leasing and maintenance personnel and estimated direct employees of commercial tenants

Table 3 – Federal taxes during construction (annual average)

Result	Units	Direct	Indirect	Induced	Total
Income	2023 \$ (millions)	\$5.6	\$1.3	\$2.1	\$9.0
Payroll	2023 \$ (millions)	\$7.7	\$1.5	\$2.5	\$11.7
Corporate	2023 \$ (millions)	\$0.3	\$0.2	\$0.8	\$1.3
Sales	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL >>	2023 \$ (millions)	\$13.6	\$3.0	\$5.4	\$22.0

Table 4 – Federal taxes during operations (annual average)

Result	Units	Direct	Indirect	Induced	Total
Income	2023 \$ (millions)	\$0.7	\$0.2	\$0.2	\$1.1
Payroll	2023 \$ (millions)	\$0.7	\$0.2	\$0.2	\$1.1
Corporate	2023 \$ (millions)	\$1.8	\$0.0	\$0.0	\$1.8
Sales	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL >>	2023 \$ (millions)	\$3.2	\$0.4	\$0.4	\$4.0

Table 5 – State and local taxes during construction (annual average)

Result	Units	Direct	Indirect	Induced	Total
Income	2023 \$ (millions)	\$1.5	\$0.3	\$0.7	\$2.5
Corporate	2023 \$ (millions)	\$0.0	\$0.0	\$0.1	\$0.1
Sales	2023 \$ (millions)	\$0.3	\$1.0	\$1.9	\$3.2
Property	2023 \$ (millions)	\$0.4	\$1.0	\$1.9	\$3.3
Other	2023 \$ (millions)	\$0.1	\$0.2	\$0.3	\$0.6
TOTAL >>	2023 \$ (millions)	\$2.3	\$2.5	\$4.9	\$9.7

Table 6 – State and local taxes during operations (annual average)

Result	Units	Direct	Indirect	Induced	Total
Income	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
Corporate	2023 \$ (millions)	\$0.2	\$0.0	\$0.0	\$0.2
Sales	2023 \$ (millions)	\$3.0	\$0.2	\$0.2	\$3.4
Property	2023 \$ (millions)	\$3.0	\$0.2	\$0.2	\$3.4
Other	2023 \$ (millions)	\$0.7	\$0.0	\$0.0	\$0.7
TOTAL >>	2023 \$ (millions)	\$6.9	\$0.4	\$0.4	\$7.7

Table 7 – Local taxes during construction (annual average)

Result	Units	Direct	Indirect	Induced	Total
Sales	2023 \$ (thousands)	\$125	\$242	\$510	\$877
Property	2023 \$ (thousands)	\$500	\$858	\$1,796	\$3,154
Other	2023 \$ (thousands)	\$36	\$47	\$100	\$183
TOTAL >>	2023 \$ (thousands)	\$661	\$1,147	\$2,406	\$4,214

Table 8 – Local taxes during operations (annual average)

Result	Units	Direct	Indirect	Induced	Total
Sales	2023 \$ (thousands)	\$858	\$46	\$53	\$957
Property	2023 \$ (thousands)	\$2,980	\$163	\$182	\$3,325
Other	2023 \$ (thousands)	\$160	\$9	\$9	\$178
TOTAL >>	2023 \$ (thousands)	\$3,998	\$218	\$244	\$4,460

INK at Scott's Collection

Table 9 – Construction phase (annual average)

Result	Units	Direct	Indirect	Induced	Total
Employment	Jobs (#)	81	17	36	134
Output	2023 \$ (millions)	\$11.5	\$4.0	\$6.7	\$22.2
GDP	2023 \$ (millions)	\$6.5	\$2.3	\$4.0	\$12.8
Labor Income	2023 \$ (millions)	\$5.9	\$1.4	\$2.1	\$9.4
Federal Taxes	2023 \$ (millions)	\$1.2	\$0.2	\$0.5	\$1.9
S&L Taxes	2023 \$ (millions)	\$0.1	\$0.2	\$0.5	\$0.8

Table 10 – Operations phase (annual average)

Result	Units	Direct	Indirect	Induced	Total
Employment	Jobs (#)	2 ²⁶	2	1	5
Output	2023 \$ (millions)	\$1.9	\$0.4	\$0.2	\$2.5
GDP	2023 \$ (millions)	\$1.5	\$0.2	\$0.1	\$1.8
Labor Income	2023 \$ (millions)	\$0.2	\$0.1	\$0.1	\$0.4
Federal Taxes	2023 \$ (millions)	\$0.4	\$0.0	\$0.0	\$0.4
S&L Taxes	2023 \$ (millions)	\$0.9	\$0.0	\$0.0	\$0.9

²⁶ While the leasing and maintenance office for Scott's Collection will reside in INK, the direct jobs associated with such operations was spread across INK, VIV, and GEM based on their share of rental income to recognize the leasing and maintenance office in INK will work on managing the three Scott's Collection projects

Table 11 – Federal taxes during construction (annual average)

Result	Units	Direct	Indirect	Induced	Total
Income	2023 \$ (millions)	\$0.5	\$0.1	\$0.2	\$0.8
Payroll	2023 \$ (millions)	\$0.7	\$0.1	\$0.2	\$1.0
Corporate	2023 \$ (millions)	\$0.0	\$0.0	\$0.1	\$0.1
Sales	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL >>	2023 \$ (millions)	\$1.2	\$0.2	\$0.5	\$1.9

Table 12 – Federal taxes during operations (annual average)

Result	Units	Direct	Indirect	Induced	Total
Income	2023 \$ (millions)	\$0.1	\$0.0	\$0.0	\$0.1
Payroll	2023 \$ (millions)	\$0.1	\$0.0	\$0.0	\$0.1
Corporate	2023 \$ (millions)	\$0.2	\$0.0	\$0.0	\$0.2
Sales	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL >>	2023 \$ (millions)	\$0.4	\$0.0	\$0.0	\$0.4

Table 13 – State and local taxes during construction (annual average)

Result	Units	Direct	Indirect	Induced	Total
Income	2023 \$ (millions)	\$0.1	\$0.0	\$0.1	\$0.2
Corporate	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
Sales	2023 \$ (millions)	\$0.0	\$0.1	\$0.2	\$0.3
Property	2023 \$ (millions)	\$0.0	\$0.1	\$0.2	\$0.3
Other	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL >>	2023 \$ (millions)	\$0.1	\$0.2	\$0.5	\$0.8

Table 14 – State and local taxes during operations (annual average)

Result	Units	Direct	Indirect	Induced	Total
Income	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
Corporate	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
Sales	2023 \$ (millions)	\$0.4	\$0.0	\$0.0	\$0.4
Property	2023 \$ (millions)	\$0.4	\$0.0	\$0.0	\$0.4
Other	2023 \$ (millions)	\$0.1	\$0.0	\$0.0	\$0.1
TOTAL >>	2023 \$ (millions)	\$0.9	\$0.0	\$0.0	\$0.9

Table 15 – Local taxes during construction (annual average)

Result	Units	Direct	Indirect	Induced	Total
Sales	2023 \$ (thousands)	\$6	\$21	\$47	\$74
Property	2023 \$ (thousands)	\$29	\$76	\$167	\$272
Other	2023 \$ (thousands)	\$2	\$4	\$9	\$15
TOTAL >>	2023 \$ (thousands)	\$37	\$101	\$223	\$361

Table 16 – Local taxes during operations (annual average)

Result	Units	Direct	Indirect	Induced	Total
Sales	2023 \$ (thousands)	\$115	\$6	\$7	\$128
Property	2023 \$ (thousands)	\$399	\$21	\$23	\$443
Other	2023 \$ (thousands)	\$22	\$1	\$1	\$24
TOTAL >>	2023 \$ (thousands)	\$536	\$28	\$31	\$595

VIV at Scott's Collection

Table 17 – Construction phase (annual average)

Result	Units	Direct	Indirect	Induced	Total
Employment	Jobs (#)	80	17	36	133
Output	2023 \$ (millions)	\$11.2	\$3.9	\$6.5	\$21.6
GDP	2023 \$ (millions)	\$6.3	\$2.2	\$3.9	\$12.4
Labor Income	2023 \$ (millions)	\$5.7	\$1.3	\$2.1	\$9.1
Federal Taxes	2023 \$ (millions)	\$1.2	\$0.2	\$0.5	\$1.9
S&L Taxes	2023 \$ (millions)	\$0.1	\$0.2	\$0.5	\$0.8

Table 18 – Operations phase (annual average)

Result	Units	Direct	Indirect	Induced	Total
Employment	Jobs (#)	5 ²⁷	2	2	9
Output	2023 \$ (millions)	\$1.7	\$0.4	\$0.3	\$2.4
GDP	2023 \$ (millions)	\$1.2	\$0.2	\$0.2	\$1.6
Labor Income	2023 \$ (millions)	\$0.2	\$0.1	\$0.1	\$0.4
Federal Taxes	2023 \$ (millions)	\$0.4	\$0.0	\$0.0	\$0.4
S&L Taxes	2023 \$ (millions)	\$0.7	\$0.0	\$0.0	\$0.7

²⁷ Includes fitness center employees and limited-service restaurant employees

Table 19 – Federal taxes during construction (annual average)

Result	Units	Direct	Indirect	Induced	Total
Income	2023 \$ (millions)	\$0.5	\$0.1	\$0.2	\$0.8
Payroll	2023 \$ (millions)	\$0.7	\$0.1	\$0.2	\$1.0
Corporate	2023 \$ (millions)	\$0.0	\$0.0	\$0.1	\$0.1
Sales	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL >>	2023 \$ (millions)	\$1.2	\$0.2	\$0.5	\$1.9

Table 20 – Federal taxes during operations (annual average)

Result	Units	Direct	Indirect	Induced	Total
Income	2023 \$ (millions)	\$0.1	\$0.0	\$0.0	\$0.1
Payroll	2023 \$ (millions)	\$0.1	\$0.0	\$0.0	\$0.1
Corporate	2023 \$ (millions)	\$0.2	\$0.0	\$0.0	\$0.2
Sales	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL >>	2023 \$ (millions)	\$0.4	\$0.0	\$0.0	\$0.4

Table 21 – State and local taxes during construction (annual average)

Result	Units	Direct	Indirect	Induced	Total
Income	2023 \$ (millions)	\$0.1	\$0.0	\$0.1	\$0.2
Corporate	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
Sales	2023 \$ (millions)	\$0.0	\$0.1	\$0.2	\$0.3
Property	2023 \$ (millions)	\$0.0	\$0.1	\$0.2	\$0.3
Other	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL >>	2023 \$ (millions)	\$0.1	\$0.2	\$0.5	\$0.8

Table 22 – State and local taxes during operations (annual average)

Result	Units	Direct	Indirect	Induced	Total
Income	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
Corporate	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
Sales	2023 \$ (millions)	\$0.3	\$0.0	\$0.0	\$0.3
Property	2023 \$ (millions)	\$0.3	\$0.0	\$0.0	\$0.3
Other	2023 \$ (millions)	\$0.1	\$0.0	\$0.0	\$0.1
TOTAL >>	2023 \$ (millions)	\$0.7	\$0.0	\$0.0	\$0.7

Table 23 – Local taxes during construction (annual average)

Result	Units	Direct	Indirect	Induced	Total
Sales	2023 \$ (thousands)	\$5	\$21	\$46	\$72
Property	2023 \$ (thousands)	\$23	\$75	\$163	\$261
Other	2023 \$ (thousands)	\$2	\$4	\$9	\$15
TOTAL >>	2023 \$ (thousands)	\$30	\$100	\$218	\$348

Table 24 – Local taxes during operations (annual average)

Result	Units	Direct	Indirect	Induced	Total
Sales	2023 \$ (thousands)	\$87	\$5	\$6	\$98
Property	2023 \$ (thousands)	\$302	\$19	\$20	\$341
Other	2023 \$ (thousands)	\$16	\$1	\$1	\$18
TOTAL >>	2023 \$ (thousands)	\$405	\$25	\$27	\$457

GEM at Scott's Collection

Table 25 – Construction phase (annual average)

Result	Units	Direct	Indirect	Induced	Total
Employment	Jobs (#)	79	16	35	130
Output	2023 \$ (millions)	\$11.1	\$3.9	\$6.4	\$21.4
GDP	2023 \$ (millions)	\$6.3	\$2.1	\$3.8	\$12.2
Labor Income	2023 \$ (millions)	\$5.6	\$1.3	\$2.0	\$8.9
Federal Taxes	2023 \$ (millions)	\$1.2	\$0.2	\$0.5	\$1.9
S&L Taxes	2023 \$ (millions)	\$0.1	\$0.2	\$0.5	\$0.8

Table 26 – Operations phase (annual average)

Result	Units	Direct	Indirect	Induced	Total
Employment	Jobs (#)	6 ²⁸	2	2	10
Output	2023 \$ (millions)	\$1.7	\$0.4	\$0.3	\$2.4
GDP	2023 \$ (millions)	\$1.2	\$0.2	\$0.2	\$1.6
Labor Income	2023 \$ (millions)	\$0.3	\$0.1	\$0.1	\$0.5
Federal Taxes	2023 \$ (millions)	\$0.4	\$0.0	\$0.0	\$0.4
S&L Taxes	2023 \$ (millions)	\$0.7	\$0.0	\$0.0	\$0.7

²⁸ Includes full-service restaurant employees

Table 27 – Federal taxes during construction (annual average)

Result	Units	Direct	Indirect	Induced	Total
Income	2023 \$ (millions)	\$0.5	\$0.1	\$0.2	\$0.8
Payroll	2023 \$ (millions)	\$0.7	\$0.1	\$0.2	\$1.0
Corporate	2023 \$ (millions)	\$0.0	\$0.0	\$0.1	\$0.1
Sales	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL >>	2023 \$ (millions)	\$1.2	\$0.2	\$0.5	\$1.9

Table 28 – Federal taxes during operations (annual average)

Result	Units	Direct	Indirect	Induced	Total
Income	2023 \$ (millions)	\$0.1	\$0.0	\$0.0	\$0.1
Payroll	2023 \$ (millions)	\$0.1	\$0.0	\$0.0	\$0.1
Corporate	2023 \$ (millions)	\$0.2	\$0.0	\$0.0	\$0.2
Sales	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL >>	2023 \$ (millions)	\$0.4	\$0.0	\$0.0	\$0.4

Table 29 – State and local taxes during construction (annual average)

Result	Units	Direct	Indirect	Induced	Total
Income	2023 \$ (millions)	\$0.1	\$0.0	\$0.1	\$0.2
Corporate	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
Sales	2023 \$ (millions)	\$0.0	\$0.1	\$0.2	\$0.3
Property	2023 \$ (millions)	\$0.0	\$0.1	\$0.2	\$0.3
Other	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL >>	2023 \$ (millions)	\$0.1	\$0.2	\$0.5	\$0.8

Table 30 – State and local taxes during operations (annual average)

Result	Units	Direct	Indirect	Induced	Total
Income	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
Corporate	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
Sales	2023 \$ (millions)	\$0.3	\$0.0	\$0.0	\$0.3
Property	2023 \$ (millions)	\$0.3	\$0.0	\$0.0	\$0.3
Other	2023 \$ (millions)	\$0.1	\$0.0	\$0.0	\$0.1
TOTAL >>	2023 \$ (millions)	\$0.7	\$0.0	\$0.0	\$0.7

Table 31 – Local taxes during construction (annual average)

Result	Units	Direct	Indirect	Induced	Total
Sales	2023 \$ (thousands)	\$10	\$21	\$45	\$76
Property	2023 \$ (thousands)	\$40	\$74	\$159	\$273
Other	2023 \$ (thousands)	\$3	\$4	\$9	\$16
TOTAL >>	2023 \$ (thousands)	\$53	\$99	\$213	\$365

Table 32 – Local taxes during operations (annual average)

Result	Units	Direct	Indirect	Induced	Total
Sales	2023 \$ (thousands)	\$77	\$5	\$6	\$88
Property	2023 \$ (thousands)	\$268	\$17	\$20	\$305
Other	2023 \$ (thousands)	\$14	\$1	\$1	\$16
TOTAL >>	2023 \$ (thousands)	\$359	\$23	\$27	\$409

Otis

Table 33 – Construction phase (annual average)

Result	Units	Direct	Indirect	Induced	Total
Employment	Jobs (#)	268	56	118	442
Output	2023 \$ (millions)	\$37.7	\$13.3	\$21.6	\$72.6
GDP	2023 \$ (millions)	\$21.2	\$7.4	\$12.9	\$41.5
Labor Income	2023 \$ (millions)	\$19.1	\$4.5	\$6.9	\$30.5
Federal Taxes	2023 \$ (millions)	\$4.1	\$1.0	\$1.6	\$6.7
S&L Taxes	2023 \$ (millions)	\$0.5	\$0.8	\$1.3	\$2.6

Table 34 – Operations phase (annual average)

Result	Units	Direct	Indirect	Induced	Total
Employment	Jobs (#)	10 ²⁹	3	4	17
Output	2023 \$ (millions)	\$6.6	\$0.7	\$0.7	\$8.0
GDP	2023 \$ (millions)	\$5.9	\$0.4	\$0.4	\$6.7
Labor Income	2023 \$ (millions)	\$0.7	\$0.2	\$0.2	\$1.1
Federal Taxes	2023 \$ (millions)	\$1.0	\$0.2	\$0.2	\$1.4
S&L Taxes	2023 \$ (millions)	\$2.3	\$0.2	\$0.2	\$2.7

²⁹ Includes several types of commercial tenants' employees, such as retail stores, food service, and the salon

Table 35 – Federal taxes during construction (annual average)

Result	Units	Direct	Indirect	Induced	Total
Income	2023 \$ (millions)	\$1.7	\$0.4	\$0.6	\$2.7
Payroll	2023 \$ (millions)	\$2.3	\$0.5	\$0.8	\$3.6
Corporate	2023 \$ (millions)	\$0.1	\$0.1	\$0.2	\$0.4
Sales	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL >>	2023 \$ (millions)	\$4.1	\$1.0	\$1.6	\$6.7

Table 36 – Federal taxes during operations (annual average)

Result	Units	Direct	Indirect	Induced	Total
Income	2023 \$ (millions)	\$0.2	\$0.1	\$0.1	\$0.4
Payroll	2023 \$ (millions)	\$0.2	\$0.1	\$0.1	\$0.4
Corporate	2023 \$ (millions)	\$0.6	\$0.0	\$0.0	\$0.6
Sales	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL >>	2023 \$ (millions)	\$1.0	\$0.2	\$0.2	\$1.4

Table 37 – State and local taxes during construction (annual average)

Result	Units	Direct	Indirect	Induced	Total
Income	2023 \$ (millions)	\$0.5	\$0.1	\$0.2	\$0.8
Corporate	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
Sales	2023 \$ (millions)	\$0.0	\$0.3	\$0.5	\$0.8
Property	2023 \$ (millions)	\$0.0	\$0.3	\$0.5	\$0.8
Other	2023 \$ (millions)	\$0.0	\$0.1	\$0.1	\$0.2
TOTAL >>	2023 \$ (millions)	\$0.5	\$0.8	\$1.3	\$2.6

Table 38 – State and local taxes during operations (annual average)

Result	Units	Direct	Indirect	Induced	Total
Income	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
Corporate	2023 \$ (millions)	\$0.1	\$0.0	\$0.0	\$0.1
Sales	2023 \$ (millions)	\$1.0	\$0.1	\$0.1	\$1.2
Property	2023 \$ (millions)	\$1.0	\$0.1	\$0.1	\$1.2
Other	2023 \$ (millions)	\$0.2	\$0.0	\$0.0	\$0.2
TOTAL >>	2023 \$ (millions)	\$2.3	\$0.2	\$0.2	\$2.7

Table 39 – Local taxes during construction (annual average)

Result	Units	Direct	Indirect	Induced	Total
Sales	2023 \$ (thousands)	\$5	\$72	\$154	\$231
Property	2023 \$ (thousands)	\$38	\$254	\$540	\$832
Other	2023 \$ (thousands)	\$5	\$14	\$30	\$49
TOTAL >>	2023 \$ (thousands)	\$48	\$340	\$724	\$1,112

Table 40 – Local taxes during operations (annual average)

Result	Units	Direct	Indirect	Induced	Total
Sales	2023 \$ (thousands)	\$294	\$15	\$18	\$327
Property	2023 \$ (thousands)	\$1,022	\$54	\$62	\$1,138
Other	2023 \$ (thousands)	\$55	\$3	\$3	\$61
TOTAL >>	2023 \$ (thousands)	\$1,371	\$72	\$83	\$1,526

Chasen

Table 41 – Construction phase (annual average)

Result	Units	Direct	Indirect	Induced	Total
Employment	Jobs (#)	398	78	168	644
Output	2023 \$ (millions)	\$56.9	\$19.1	\$30.7	\$106.7
GDP	2023 \$ (millions)	\$32.8	\$10.5	\$18.4	\$61.7
Labor Income	2023 \$ (millions)	\$27.6	\$6.2	\$9.8	\$43.6
Federal Taxes	2023 \$ (millions)	\$5.9	\$1.4	\$2.3	\$9.6
S&L Taxes	2023 \$ (millions)	\$1.5	\$1.1	\$2.1	\$4.7

Table 42 – Operations phase (annual average)

Result	Units	Direct	Indirect	Induced	Total
Employment	Jobs (#)	10 ³⁰	6	6	22
Output	2023 \$ (millions)	\$11.3	\$1.5	\$1.2	\$14.0
GDP	2023 \$ (millions)	\$9.7	\$0.8	\$0.7	\$11.2
Labor Income	2023 \$ (millions)	\$0.9	\$0.5	\$0.4	\$1.8
Federal Taxes	2023 \$ (millions)	\$1.0	\$0.2	\$0.2	\$1.4
S&L Taxes	2023 \$ (millions)	\$2.3	\$0.2	\$0.2	\$2.7

³⁰ Includes an estimate of the number of Capital Square personnel necessary to run the project based on interpolating the employees and income from Scott's Collection to the level of income expected for Chasen

Table 43 – Federal taxes during construction (annual average)

Result	Units	Direct	Indirect	Induced	Total
Income	2023 \$ (millions)	\$2.4	\$0.6	\$0.9	\$3.9
Payroll	2023 \$ (millions)	\$3.3	\$0.7	\$1.1	\$5.1
Corporate	2023 \$ (millions)	\$0.2	\$0.1	\$0.3	\$0.6
Sales	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL >>	2023 \$ (millions)	\$5.9	\$1.4	\$2.3	\$9.6

Table 44 – Federal taxes during operations (annual average)

Result	Units	Direct	Indirect	Induced	Total
Income	2023 \$ (millions)	\$0.2	\$0.1	\$0.1	\$0.4
Payroll	2023 \$ (millions)	\$0.2	\$0.1	\$0.1	\$0.4
Corporate	2023 \$ (millions)	\$0.6	\$0.0	\$0.0	\$0.6
Sales	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL >>	2023 \$ (millions)	\$1.0	\$0.2	\$0.2	\$1.4

Table 45 – State and local taxes during construction (annual average)

Result	Units	Direct	Indirect	Induced	Total
Income	2023 \$ (millions)	\$0.7	\$0.2	\$0.2	\$1.1
Corporate	2023 \$ (millions)	\$0.0	\$0.0	\$0.1	\$0.1
Sales	2023 \$ (millions)	\$0.3	\$0.4	\$0.8	\$1.5
Property	2023 \$ (millions)	\$0.4	\$0.4	\$0.8	\$1.6
Other	2023 \$ (millions)	\$0.1	\$0.1	\$0.2	\$0.4
TOTAL >>	2023 \$ (millions)	\$1.5	\$1.1	\$2.1	\$4.7

Table 46 – State and local taxes during operations (annual average)

Result	Units	Direct	Indirect	Induced	Total
Income	2023 \$ (millions)	\$0.0	\$0.0	\$0.0	\$0.0
Corporate	2023 \$ (millions)	\$0.1	\$0.0	\$0.0	\$0.1
Sales	2023 \$ (millions)	\$1.0	\$0.1	\$0.1	\$1.2
Property	2023 \$ (millions)	\$1.0	\$0.1	\$0.1	\$1.2
Other	2023 \$ (millions)	\$0.2	\$0.0	\$0.0	\$0.2
TOTAL >>	2023 \$ (millions)	\$2.3	\$0.2	\$0.2	\$2.7

Table 47 – Local taxes during construction (annual average)

Result	Units	Direct	Indirect	Induced	Total
Sales	2023 \$ (thousands)	\$99	\$107	\$218	\$424
Property	2023 \$ (thousands)	\$370	\$379	\$767	\$1,516
Other	2023 \$ (thousands)	\$24	\$21	\$43	\$88
TOTAL >>	2023 \$ (thousands)	\$493	\$507	\$1,028	\$2,028

Table 48 – Local taxes during operations (annual average)

Result	Units	Direct	Indirect	Induced	Total
Sales	2023 \$ (thousands)	\$285	\$15	\$16	\$316
Property	2023 \$ (thousands)	\$989	\$52	\$57	\$1,098
Other	2023 \$ (thousands)	\$53	\$3	\$3	\$59
TOTAL >>	2023 \$ (thousands)	\$1,327	\$70	\$76	\$1,473