STATE CENTER DEVELOPMENT

Analysis and Assessment by:

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STATE CENTER

MIXED USE DEVELOPMENT BRINGS JOBS, AFFORDABLE HOUSING AND RETAIL

TRUE REVITALIZATION

• **Redevelopment of the State Center Complex – State-of-the-Art, 21st Century Office Space** for Maryland State government, and 3,000+ jobs in midtown Baltimore City.

• **Revitalization of the Midtown Baltimore Area and a Wide Range of Community Benefits***.* A mixed-use State Center project will serve as a pioneering anchor project for revitalization of the area around it, and create new jobs, affordable housing, and retail choices for local residents.

• **New Revenues for the City of Baltimore and the State of Maryland**. Conversion of currently tax-exempt State-owned property to taxable status, with new development that generates significant sources of new tax revenue, will create fiscal benefits for the City and the State.

• **Lowest Net Cost for Maryland Taxpayers***.* The public-private partnership will invest private capital in new construction and renovation, with the State as a tenant in the new project. No borrowing of capital by the State, no competition for other priorities. Partnership gives the State a share of long-term profits.

THE PROJECT

Ideally situated: State Center is a major employment center located just northwest of, and adjoining, Baltimore's central business district. The current office buildings encompass a large concentration of State agencies, employing over 3,000 state workers. The 28-acre site is the bridge between Midtown and several close-knit West Baltimore neighborhoods. Located in the heart of the Cultural Arts District, State Center is surrounded by institutions including the Modell Performing Arts Center at the Lyric, Joseph Meyerhof Symphony Hall, and the campuses of the University of Baltimore and the Maryland Institute College of Art (MICA).

The State Center location is transit-rich, with the Baltimore metro (subway), light rail and MTA buses all serving the site. A short walk to Penn Station connects one to MARC commuter trains and Amtrak trains serving the northeast corridor and beyond.

Currently challenged: These assets are, however, diminished by the reality that State Center, in its present form is a collection of outdated buildings with wide swaths of pavement, currently devoted to parking. After State office hours and on weekends, one encounters "an isolated fortress of asphalt and obsolete buildings that divides and weakens the surrounding nine neighborhoods."

Opportunity presented: The proposed State Center Redevelopment Project is designed to capture the inherent assets of the site. It will replace the existing obsolete, institutional structures with a vibrant mixed-use community providing benefits to the workers and to the residents in the surrounding neighborhoods, with further positive impact on the total community.

Treasurer Nancy Kopp characterized the State Center project this way:

> ***"The project would appear to hold the potential of improving deteriorated office buildings and also enhancing the quality of life in the surrounding community. It incorporates transit, bridges communities, and brings access to retail. The economic revitalization that the improved and expanded office space, retail development, low and moderate-income housing, and parking will bring to this area in Baltimore is potentially considerable."***

Indeed, the developers of the State Center project, working with seven community organizations, have set out to achieve these goals:

- Dramatically improved and updated office/work space for some 3,000 State employees and an optimal working environment to effectively carry out State business.
- Enhanced quality of life for surrounding communities, linking those communities with new private enterprise office structures and services, intermixed with new state-of-the-art State office buildings.
- Enhanced utilization of the State's transit services, including the Metro subway, Light Rail and MTA bus network.
- Improved access to, and choice of retail, including the addition of a full-service grocery market.
- Multiple new moderate-income and affordable housing units in a more robust community.
- Increased and modernized parking facilities for State employees and visitors doing State business.

1) State Center is a market rate lease project

Rents for the State Center office space will be in line with, or competitively lower than current rent levels for new commercial office space in Downtown Baltimore.

See **Table 1** below - current rents for Class A office space in the Baltimore Central Business District;

TABLE ! – DOWNTOWN BALTIMORE, CLASS A OFFICE SPACE, 2017 – Q2

Property	Year	Total SQ FT	Avail SQ FT	Min Rent	Max Rent	Type
120 E. Baltimore St.	1989	325,978	73,002	$24.00	$25.50	FS
111 S. Calvert St. - Harborplace Tower	1988	267,552	64,310	$25.50	$29.50	MG
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300 W.Pratt St.	1870/1999	61,655	23,767	$23.50	$23.50	NET/UTIL
217 E. Redwood St. - Redwood Tower	1987/2004	203,000	60,599			
1 South Street	1991	478,814	46,995	$22.00	$24.00	FS
7 St. Paul St. - Wells Fargo Tower	1985	378,010	127,816	$23.50	$23.50	FS
200 St. Paul Place - St. Paul Plaza	1989	266,672	4,660	$25.00	$25.00	FS

Source: Report on Available Downtown Class A Office Space, 2017 - Q2 made available by Downtown Partnership of Baltimore; individual commercial realtor quotes.

Competitive Assessment: For the 2nd quarter of 2017, the median rental is $25.25/square foot per year, including properties constructed in the 1980s or earlier. For properties constructed or renovated since 1999, the median office rental is $28.00/ square foot per year.

In the 1st quarter of 2017, MacKenzie (developer) reports Class A+ office space in Baltimore City Center leased for $30.41/ square foot. Older Class B space leased at $18.38/ square foot. A signature new downtown property, the Legg Mason Tower in Harbor East, has a rental rate of $39.00/ square foot.

New construction buildings in Baltimore are now climbing well above the $25.85/ square foot rent in the State leases. State leases include an escalator clause: base rate of $25.85 is increases by 15 percent after year 5, year 10 and after year 15, during a 20-year lease.

NOTE: the base rate of $25.85/ square foot established in 2009, based on prevailing construction costs, has not increased, though construction costs have increased considerably over the past decade.

Comparable: The closest example of a direct comparable development is the recently completed office project for the Social Security Administration (SSA) on Wabash Avenue in Northwest Baltimore (replacing the SSA offices on Baltimore's westside, occupied since 1980). For the new SSA facility, the General Services Administration (GSA) hired JBG Cos. of Chevy Chase to design and build the 538,000-square-foot, two-building complex, which also includes 1,076 parking spaces. Under a 20-year lease agreement, signed in 2010 and commencing in 2014, the GSA is paying a rental rate of $38.83 per square foot.

Other factors that differentiate the State Center from the SSA comparable are:

Custom space: The State will not be occupying "generic" office space, rather the developer customized space per State agency to meet their specific space occupancy and functional requirements.

Energy efficiency: The lease provides for energy efficient heating, ventilation and air conditioning (HVAC) to meet or exceed the latest efficiency standards; lighting systems will use dimming electronic ballasts and high efficiency lamps, all of which insure the buildings will be rated LEED Silver or higher, providing significant energy cost savings to the State compared to the status quo.

Parking: Included in the State Center design is a garage for State workers' parking at no charge.

2) State Center is a sound business deal for the State

By the year 2000, it was clear that the State Center office complex was deteriorating rapidly, buildings were past their useful life, and maintenance costs were soaring. The State was confronted with the options.

Do nothing: It was soon clear, this was not a realistic path. The Maryland Legislature's Department of Legislative Services (DLS) noted that, if they did not take action, "the state would continue to occupy space that is considered less than adequate, functionally inefficient and in need of substantial eventual investment and future replacement." *And doing nothing is not a cost savings but is actually exceedingly expensive*. Officials estimated in 2006 that they were paying $23 a square foot to operate and maintain the buildings. That's about $12 a foot less than the State would be paying for space in brand-new buildings under the proposed deal. Major inevitable repairs in the 'do nothing" scenario could double or triple current costs and be spent on obsolete buildings.

Traditional route: The State could approach the problem in the "old-fashioned way' — that is, by redeveloping the site itself, without private partners for residential, commercial and retail elements, which are now part of the proposal. As early as 2009, DLS analysts estimated that would cost the state $215-million. Eight years later, in 2017, that number climbs significantly.

Sell and re-locate: The State could seek to sell the State Center land to a developer and move its workers into existing downtown real estate. (Not surprisingly, this seemed to be the preference of downtown property owners whose lawsuit opposed the redevelopment over the four-year period, 2010-2014.) However, that approach puts an already vulnerable part of the city at increasing risk for blight and disinvestment. From a purely practical standpoint, moving to various existing commercial buildings would force splitting agencies between buildings, losing rather than gaining work efficiency. Importantly, leasing 1 million square feet of office space downtown would drive up rents. (Again, note the position of the downtown property owners' lawsuit.)

Public-private partnership: In case after case, in cities around the country, this option has shown to be the most effective for the public/government entities, private investors, and most importantly, the surrounding communities. For State Center, the developer, State Center LLC, proposes to pay the ground lease, then return the property to City and State tax rolls under a profit-sharing agreement, making the finances manageable and attractive, both short and long-term.

Rental Rate for State Center Phase 1 determined through objective/transparent process

Utilizing a third party, arms-length negotiation process in 2009, the Developer, representatives of the DGS and the Maryland Department of Transportation (MDOT) agreed on rental rates on the State Center Phase 1 leases. The State hired Jones Lang LaSalle ("JLL"), global leader in commercial real estate and investment, and Bay Area Economics ("BAE"), national real estate and economic development consultancy, to provide independent advice on then current and future costs of occupying the office space. Additionally, the consulting firms were directed to examine the anticipated costs of alternatives to the State Center Redevelopment Project. *All economic and market analysis* *and conclusions were provided directly to the State by the third-party consultants, not by the Developer.*

Total cost of State occupancy turns on three crucial elements:

- First, the State will receive ground rent payments from the Developer;
- Second, the State will receive profit-sharing payments from the Developer, including a portion of the profits earned from the State's rent payments and the rent and other revenue generated by private occupants;
- Third, the State and City will, for the first time, receive significant, and on-going tax revenue from the property (resulting from the transfer of the land and improvement to private investors).

Cost/Revenue Comparison

The State's independent experts calculated comparisons of cost and revenue from the various alternatives. Summary below. (Tables 2, 2A, and 3 in Appendix provide detail.)

Cost/Benefit – State Center Development vs. Status Quo Phase I

Net Cost of State Occupancy for State Center Development:	$18.1million
Annual Cost of Occupancy for Current Status Quo:	$16.5million
Additional Cost of State Center Development (9%): (providing the State 515,000 square feet of brand new, build to suit, contiguous, state-of-the-art office space.)	$1.6million
Additional State Income: Annual expected State tax revenues	$6.9 million
Net Impact of Phase I Only: State Gains (subtracting the additional cost from additional income)	**$5.3 million per year**

Cost/Benefit – State Center Development vs. Alternatives Phase I

As outlined by DLS' December 2014 briefing to the Senate Budget and Taxation Committee, all alternatives have significant negative implications.

State as Redeveloper – State pays for obsolete bldgs. (estimates include basic upgrades i.e. asbestos removal, insulation, equipment replacement, etc.)	$200+ million
Relocating – (including debt/capital for moving, lack of available	$7.9 million - $12.2 million The range of relocation costs reflects

space, lack of contiguous space, losses due to rents owed in current space, abandonment/disinvestment in neighborhood, negative impact on transit.)	alternative assumptions of state agency tenant mix and their floor space needs, per DGS analysis.
Tax revenue impact vs. cost of existing downtown offices:	**$**2.8million ($3.55/sf) *less* for new project
Tax revenue impact vs. cost of build to suit offices:	$10million ($15.75/sf) *less* for new project

Summary of Benefits based on 3rd Party Consultant Assessment:

1. State is paid a ground rent for every parcel developed.
2. State receives 7% of profits on all development on the 28 acres.
3. Conversion of 28 acres of non-performing State liability, paying $0 in taxes to a 100% private development paying 100% new taxes to the State and City
4. At end of ground lease agreement, State gets the property back.

Additional: Though not calculated, energy savings due to LEED Silver or better rating (vs. status quo), will drive occupancy costs and operating expenses lower still. And expected job creation and community growth, direct and indirect, will have increased economic impact.

Including the benefits of all additional taxes paid—the State's own analysis showed the project to be an economic boon to both the State and the City.

3) State Center is a sound business deal for Baltimore City

New Tax Revenues Generated for the City and State of Maryland

As a direct result of the State Center Redevelopment Project, 28 acres of currently tax-exempt property (land and structures) becomes a significant generator of taxes, a source of new revenue for both Baltimore City and the State of Maryland.

Increased tax revenues will be generated, not only from real property taxes, but from economic activity associated with the project, including sales, recordation/transfer and employment taxes, during the construction period. Upon project completion and occupancy, revenues will be in the form of sales, personal and real property taxes, as well taxes generated by new private economic activity associated with this mixed-use project.

Bay Area Economics (BAE Urban Economics) calculated these fiscal impacts in their 2011 report, as summarized below (provided in detail in Tables 3A, the Appendix).

Revenue Impact

Phase I

City Tax Revenue – During Construction **$7.4million** plus **$2.7million/year** ongoing tax revenue

Fiscal Impact Full Build Out

City Tax Revenue – During Construction **$39.3million** plus **$12.8million/year** ongoing tax revenue.

Summary Tax Revenue Impact State and City:

<u>Construction period Phase I</u>

State of Maryland will gain	$3.4million tax revenue
City of Baltimore will gain	$7.4million tax revenue
On completion, State realizes	$6.9million tax revenue/year
On completion, City realizes	$2.7million tax revenue/year

<u>Full Build-out</u>

State will gain	\$59.5million tax revenue
City will gain	\$39.3million tax revenue

<u>On Completion</u>

State will gain	\$47.0million tax revenue/year
City will gain	\$12.4million tax revenue/year

4) State Center is true economic development

The State Center project is not merely the long-deferred re-investment in buildings where essential services of State government are conducted. The project, as designed, goes far beyond meeting the State government's basic need for 21st-century office space.

The State Center project incorporates new private sector investment and participation that will bring much needed new economic activity to neighborhoods in midtown and West Baltimore. The mixed-use design incorporates new private office space, along with space for neighborhood-serving retail and service uses. A modern, spacious grocery store in the historic Fifth Regiment Armory building will bring fresh food items to central Baltimore neighborhoods with limited alternatives for obtaining wholesome groceries.

And, this new development will mean many construction jobs in the years immediately ahead, jobs that Baltimore City residents can fill with economic reverberations felt by many more. Summary below. (See Table 4A and 4B in Appendix).

Employment Impact (per BAE estimates)

Phase I	1800 jobs total	
	1000 direct jobs - construction	
	800 indirect resulting from construction	
	3000 State workers already in place	
Full Build-out	9400 jobs	
	5000+ construction	5400+ permanent
	4200+ construction	4800+ permanent
	9400+ construction	10,000+ permanent

State Center Project – A Model Public Private Partnership Project

Win-win is an often over-used expression. It should only be invoked when all parties to a deal or project can identify true benefit. If the benefit is lopsided, the term is not appropriate. Upon diligent scrutiny and objective 3rd party assessment, the State Center Redevelopment Project is one of the uncommon endeavors that benefits the employees of the State agencies, the residents of the community, the surrounding economy, the City, and the State.

- **State Center Provides Government Agency Employees the Best, Most Efficient, Up to Date Work Environment at the Lowest Cost.** The public-private redevelopment of State Center, vs. other alternatives including status quo with repairs, State-run redevelopment, or relocation, gives workers a superior environment, the community a new and sustainable rejuvenation, and both the City and State new and on-going tax revenues.
- **State Center is a Revitalization of the Midtown Baltimore Area Providing a Wide Range of Community Benefits***.* A mixed-use State Center project is a pioneering anchor project for revitalization/rebirth of the area around it, creating new jobs, affordable housing, and retail choices for local residents. In addition to providing state-of-the art office facilities for State government, State Center brings to fruition the hopes of the many residents of seven surrounding neighborhoods who have worked to make it a reality over the past decade.
- **State Center Generates New Revenues for the City of Baltimore and the State of Maryland**. Conversion of currently tax-exempt State-owned property to taxable status, with new development that generates significant sources of additional tax revenue will create fiscal benefits for the City and the State. Projected net fiscal impact on the State from the Phase 1 offices will be a positive $6.9 million annually. Phase I fiscal impacts on Baltimore City are estimated at $2.7-million annually. Build-out and completion will generate even greater revenues.
- **State Center Public-Private Partnership is the Lowest Net Cost for Maryland Taxpayers***.* The public-private partnership will invest private capital in new construction and renovation, with the State as a tenant in the new project. This keeps the State from having to borrow money (which is competing with other priorities), in order to provide overdue repairs to State Center. Further, the partnership arrangement gives the State a share of the long-term profits.

Appendix

TABLE 1– DOWNTOWN BALTIMORE, CLASS A OFFICE SPACE, 2017 – Q2

Property	Year	Total SQ FT	Avail SQ FT	Min Rent	Max Rent	Type
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Source: Report on Available Downtown Class A Office Space, 2017 - Q2 made available by Downtown Partnership of Baltimore; individual commercial realtor quotes.

TABLE 2 - State Cost of Occupancy – Snapshot Cost/Benefit of Alternatives

515,000 Sq Ft State Office Comparison

Occupancy Cost (per/rsf)		State Center (7)		Build to Suit		Existing Building Downtown office complex		Remaining in existing State office space
Rent	$	25.85	$	25.85	$	24.00	$	-
Operating Expenses (1)	$	8.00	$	11.50		inc. above	$	21.00
Real Estate Taxes (2)	$	2.50	$	-		inc. above	$	-
Building Life Extension / Deferred Maintenance (3)	$	-	$	-	$	-	$	11.00
Total Rent + Deferred Maintenance	**$**	**36.35**	**$**	**37.35**	**$**	**24.00**	**$**	**32.00**
Adjustments to Occupancy Cost (per/rsf)								
(LESS) Ground Rent Payable to the State (4)	$	(0.25)	$	-	$	-	$	-
(LESS) State Profit Share (4)	$	(1.00)	$	-	$	-	$	-
PLUS, Mothballing Costs (5)	$	-	$	2.50	$	2.50	$	-
Net Cost of Occupancy: Adjusted for Reimbursement Rent / Mothballing Costs	**$**	**35.10**	**$**	**39.85**	**$**	**26.50**	**$**	**32.00**
(LESS) New Permanent State Tax Revenues (6)	$	(13.50)	$	(2.50)	$	(1.35)	$	-
Net Cost of Occupancy: Adjusted for New State Tax Revenues	**$**	**21.60**	**$**	**37.35**	**$**	**25.15**	**$**	**32.00**

*Decimals rounded to nearest tenth

NOTES

(1) Operating Expenses based on estimates by the State or other outside independent experts (JLL model for State Center; Broker input on Downtown, DGS for Status Quo)

(2) Real Estate Taxes - State Center $2.50/sf PILOT; No PILOT assumed for Downtown options; Status Quo does not pay taxes

(3) Deferred Maintenance cost of Status Quo scenario is based on a Department of General Services estimate for its costs for dealing with the current State office facilities ($11/sf/yr)

(4) The ground rent and profit share estimates are based upon a projection of the 5th year of operations and assume that the Phase I model is built as set forth in the current Approved Concept Plan. The estimates do not assume a capital event, wherein the Developer may sell forward rental income to a third party, in which case the State's profit sharing would be even higher.

(5) Mothball Cost estimates are provided by DGS, JLL, BAE in 2010 studies and include the costs of vacating and taking steps to prevent further deterioration in existing buildings. Under the State Center Project, those costs would be unnecessary given existing buildings projected future use.

TABLE 2A- State Cost of Occupancy – Snapshot Cost/Benefit of Alternatives

515,000 Sq Ft State Office Comparison

Occupancy Cost (per/rsf)	**State Center** (7)	**Build to Suit**	**Existing Building Downtown office complex**	**Remaining in existing State office space**
Rent	$ 25.85	$ 25.85	$ 24.00	$ -
Operating Expenses (1)	$ 8.00	$ 11.50	inc. above	$ 21.00
Real Estate Taxes (2)	$ 2.50	$ -	inc. above	$ -
Building Life Extension / Deferred Maintenance (3)	$ -	$ -	$ -	$ 11.00
Total Rent + Deferred Maintenance	**$ 36.35**	**$ 37.35**	**$ 24.00**	**$ 32.00**
Adjustments to Occupancy Cost (per/rsf)				
(LESS) Ground Rent Payable to the State (4)	$ (0.25)	$ -	$ -	$ -
(LESS) State Profit Share (4)	$ (1.00)	$ -	$ -	$ -
PLUS, Mothballing Costs (5)	$ -	$ 2.50	$ 2.50	$ -
Net Cost of Occupancy: Adjusted for Reimbursement Rent / Mothballing Costs	**$ 35.10**	**$ 39.85**	**$ 26.50**	**$ 32.00**
(LESS) New Permanent State Tax Revenues (6)	$ (13.50)	$ (2.50)	$ (1.35)	$ -
Net Cost of Occupancy: Adjusted for New State Tax Revenues	**$ 21.60**	**$ 37.35**	**$ 25.15**	**$ 32.00**

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(1) Operating Expenses based on estimates by the State or other outside independent experts (JLL model for State Center; Broker input on Downtown, DGS for Status Quo)

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(5) Mothball Cost estimates are provided by DGS, JLL, BAE in 2010 studies and include the costs of vacating and taking steps to prevent further deterioration in existing buildings. Under the State Center Project, those costs would be unnecessary given existing buildings projected future use.

(6) New **Permanent State** Tax Revenues (~$6.9m/yr) based on BAE/IMPLAN, 2010 (State Center Scenario) projections; Downtown Scenarios are *estimated at* a percentage to account for other relocation related economic activity (i.e., 20% on Build to Suit and 10% Downtown Existing)

(7) Scenario ***does not account*** for temporary or indirect Economic Development Impact (i.e., New City/State Tax Revenues and Job Creation) nor the negative impact of disinvestment in
TOD and neighborhoods at State Center should State employees be moved elsewhere. See other charts/analysis for Economic Development Impact.

Source: DGS/MDOT Briefing Documents, December 2014, May 2010; Leasing Data via Regional Broker 2015; BAE, JLL Models 2010.

TABLE 3 – COST COMPARISON – STATUS QUO AND STATE CENTER, PHASE 1

New State Center buildings will be rated LEED Silver or better, providing significant energy cost savings, particularly compared to status quo. Additional energy cost savings, while not included in above model, should drive total costs of occupancy even lower, as utilities are significant "Operating Expenses" line item.

Additionally, economic analysis-generated projections for job creation and additional economic growth, direct and indirect, have not yet been factored into the PSF rental rate comparison below, but are available in the extracts from the State's/ BAE's economic analysis that is presented in **Table 3** below.

	Status Quo	State Center Ph 1
Rent Payments ($25.85/sf)	$ -	$ 13,312,750
Operating Expenses (1)	$ 10,815,000	$ 4,120,000
Real Estate Taxes ($2.5/sf PILOT)	$ -	$ 1,287,500
Total Occupancy	**$ 10,815,000**	**$ 18,720,250**
Building Life Extension/Deferred Maintenance (1)	$ 5,665,000	$ -
Occupancy + Building Life Extension	**$ 16,480,000**	**$ 18,720,250**
(Less) Ground Rent Payable to the State (2)	$ -	$ (126,154)
(Less) State Profit Share (2)	$ -	$ (507,589)
Net Occupancy	**$ 16,480,000**	**$ 18,086,507**

TABLE 3a - FISCAL IMPACT - STATE CENTER REDEVELOPMENT – PHASE 1

Phase I	**During Construction**	**Permanent**
State Tax Revenue	$3.4m	$6.9m /yr
City Tax Revenue	$7.4m	$2.7m /yr
TOTAL	**$10.8m**	**$9.6m / yr**

Source: BAE/IMPLAN Report, March 2011; DGS/MDOT Senate Budget & Taxation Committee Briefing Letter, December 2014.

TABLE 3b - FISCAL IMPACT - STATE CENTER REDEVELOPMENT – FULL BUILD OUT

Full Build-Out	**During Construction**	**Permanent**
State Tax Revenue	$59.5m	$47.0m / yr
City Tax Revenue	$39.3m	$12.8m /yr
TOTAL	**$98.8m**	**$59.8m / yr**

Source: BAE/IMPLAN Report, March 2011; DGS/MDOT Briefing Document May 2010.

During the construction of **Phase 1**, the project will generate $7.4-million in tax revenue to Baltimore City, $3.4 million to State of Maryland will gain $3.4-million. Upon **completion**, the project will yield $2.7-million annually to Baltimore City and $6.9-million to the State of Maryland.

During construction of **full build-out** of State Center, the City of Baltimore will realize $39.3-million in tax revenue, and the State will gain $59.5-million. Upon project **completion**, the City will realize $12.4-million in annual new revenue, and the State will gain $47.0-million.

TABLE 4a – STATE CENTER REDEVELOPMENT PROJECT-PHASE I, EMPLOYMENT IMPACT

Phase 1	**During Construction**	**Permanent**
Net New Direct Jobs (excl. State Workers)	998	98
Indirect and Induced Jobs	840	82
TOTAL	**1,838**	**180**

Source: BAE/IMPLAN Report, March 2011

TABLE 4b– STATE CENTER REDEVELOPMENT PROJECT-PFULL BUILD OUT, EMPLOYMENT IMPACT

Full Build-Out	**During Construction**	**Permanent**
Net New Direct Jobs (excl. State Workers)	5,186	5,439
Indirect and Induced Jobs	4,217	4,863
TOTAL	**9,403**	**10,302**

Source: BAE/IMPLAN Report, March 2011