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Client: Jerry Smith

Report Prepared for: Region 9 Economic Development District (Region 9)

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This analysis is provided through technical assistance funds from the Region 9 Economic Development District. Caveat – these models are built on national averages and may not necessarily reflect the specific economy of Archuleta County, particularly when discussing income levels.

Background - At the request of Laura Lewis, Assistant Director of Region 9, I did some preliminary research for Jerry Smith. Jerry would like information regarding the economic impacts of the construction of a new Geothermal Facility in Archuleta County.

To conduct the analysis, budget information was collected directly from Jerry Smith. The projected construction budget includes about \$8 million. The IMPLAN[®] modeling system was then used to provide estimates of direct and indirect economic impacts. IMPLAN[®] uses national models to estimate employment and income levels for different construction types. In this case I have used IMPLAN[®] Industry 36 – Construction of new nonresidential structures using a Type SAM Multiplier, which includes (direct + indirect + induced effects) / direct effects.

Construction Phase (36)		
Impact Type	Labor x (1.29)	Labor Income x (1.53)
Direct Effect	80	\$ 2,650,000
Indirect Effects	23	\$ 1,411,175
Total Effect	103	\$ 4,061,175

For this analysis, labor income is estimated to be about 32% of the total construction budget of \$8 million (\$2,560,000).

Based on the projected budget, the estimated 80 (direct) construction jobs require an additional 23 (indirect) supporting jobs, i.e. truckers, clerks in the local supermarket, or waitresses at the family restaurant. Direct labor income is estimated to be about \$2.65 million; supporting jobs may provide an additional \$1.4 million in labor income as these earnings then re-circulate through the local economy as a result of rounds of purchases by businesses and consumers.

Operations Phase (33)		
Impact Type	Labor (1.58)	Labor (1.58)
Direct Effect	6	12
Indirect Effects	4	7
Total Effect	10	19

The operations phase is expected to employ from 6-12 people full time, when you add the supporting jobs this could provide 10-19 jobs in the local economy.