

Estimated Economic Contributions of

THE 2013 ACTIVITIES OF THE

**NORTHSHORE
HARBOR
CENTER**

to St. Tammany Parish, Louisiana

OCTOBER 2014

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The Southeastern Louisiana University Business Research Center (BRC) is jointly operated by the Southeast Louisiana Business Center and the Southeastern College of Business. The BRC provides applied economic analyses and research studies that aid business and economic development efforts for the five-parish Northshore region of southeast Louisiana. The Center represents one aspect of the University's commitment to economic development in the region.

The Center is located in the Southeast Louisiana Business Center on Martens Drive, two blocks west of the main campus of Southeastern Louisiana University. The Business Research Center is a proud member of the Association for University Business and Economic Research (AUBER) and the Council for Community and Economic Research (C2ER).

The following study was commissioned by Kathy Lowrey, General Manager of the Northshore Harbor Center, and was conducted using generally accepted research methods, models, and techniques.

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Sincerely,

A handwritten signature in black ink that reads 'William Joubert'.

William Joubert
Director
Business Research Center

Southeastern Louisiana University Business Research Center
*A Collaborative Effort of the Southeast Louisiana Business Center and
the Southeastern Louisiana University College of Business*

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Introduction

The Northshore Harbor Center is a convention facility located in Slidell, Louisiana. The Harbor Center is utilized by individuals, local civic and community groups, local and regional businesses, and local, regional, state, and national government agencies for various private and public functions. This study analyzes the economic contributions of the 2013 activities of the Northshore Harbor Center to the economy of St. Tammany Parish, Louisiana.

The Northshore Harbor Center facility is pictured in Figure 1, and its location is illustrated in Figure 2.



Figure 1. Northshore Harbor Center main entrance

Analysis Methodology

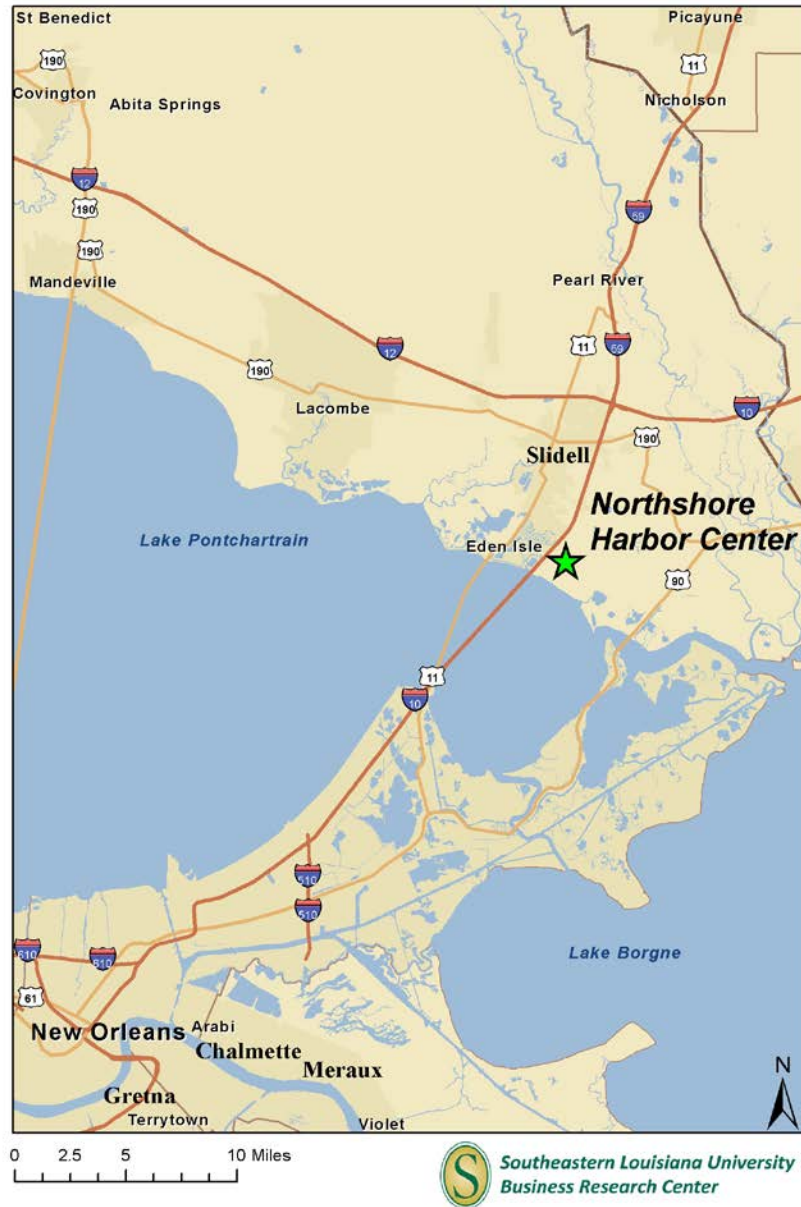
This analysis utilized the input-output method to estimate the economic contributions of the Harbor Center's operations to the St. Tammany Parish economy. The input-output method is based on the economic linkages between various sectors and industries, which cause every dollar of expenditures to "ripple through" the study area's economy. This results in expenditures being "multiplied" to various degrees, causing a larger economic effect than the original amount of the expenditure. These "ripple" or "multiplier" effects continue to contribute to the economic impact of the expenditure until the effects leave the study area or become too small to measure.

The total economic contribution of a facility, company, industry, event, or project consists of *direct*, *indirect*, and *induced* effects.

Direct effects are the immediate effects on business activity in the area occurring as a direct consequence of the facility, company, industry, event, or project being studied.

Indirect effects occur in sectors that supply materials, goods, and services to the directly-affected entity. For example, a landscaping contractor hired by the facility under study is *directly* impacted by expenditures of the facility. Plant nurseries which provide plants to the landscape contractor are *indirectly* impacted, when the landscaper purchases plants to use on the facility's grounds. In turn, businesses that provide goods and services to the plant nurseries are indirectly impacted from the increased activities of the nurseries. These indirect impacts continue to contribute to the economic impact until the subsequent expenditures become too small to measure or leave the study area, e.g. if the plant nursery purchased their potting soil from outside the study area, that portion of the impact chain would stop. However, other expenditures by the nursery, such as fuel and maintenance for greenhouses, may continue to accrue to the study area.

Figure 2. Location of Northshore Harbor Center



Induced effects are created by the increase in consumer spending generated by increased payrolls in the directly and indirectly impacted industries. In the example above, the facility under study has employees and their associated wages, the landscape contractor will hire employees (or increase the work hours of existing employees) to handle the work at the subject company's facilities, and the plant nurseries will hire workers to produce the plants for the landscape contractor. All of these employees in the various industries will then spend their wages on food, housing, entertainment, etc., creating further economic benefits in the region. The sum of all of the impacts deriving from increased payroll spending is the induced effect.

The sum of the direct, indirect, and induced effects represents the total economic contributions. The total economic contributions divided by the direct effect yields the economic impact *multiplier* of the facility, company, industry, event, or project in question. In most cases, the multiplier will be between 1.0 and 2.0.

IMPLAN Version 3.0[®] software and structural matrices were utilized to complete the analysis of the estimated economic contribution of the Northshore Harbor Center's 2013 operations on St. Tammany Parish.

Data, Assumptions, and Model Construction

The Northshore Harbor Center hosted 71 clients or events in 2013 (see Appendix A), ranging from high school proms to weddings to craft and trade shows to sporting events to industry training seminars.

This analysis was based on expenditure data for Northshore Harbor Center provided by the Harbor Center staff for calendar year 2013, as well as their estimates of outside spending by clients who utilized the facility in 2013.

Because no mechanism existed to separate vendors or attendees and allocate their spending based on parish or state of residence, and it is not known how many of the events would have been held outside the parish if not for the existence of the NHC, this analysis should be viewed as a **Contribution Analysis** which estimates the Harbor Center's contribution to the overall economy of St. Tammany Parish in 2013, and not as an **Impact Analysis** analyzing the impact of new or outside money.

Contribution to Economic Output

The Northshore Harbor Center spent approximately \$1.5 million in operational expenses in 2013, of which an estimated \$1.3 million was spent locally. Clients and attendees spent an estimated \$494,000 in additional expenditures at area businesses. Combined, the Harbor Center and its clients spent approximately \$2.0 million in St. Tammany Parish in 2013. Operating expenditures of the Harbor Center are detailed in Table 1 (in descending order of amount), and estimated outside expenditures by clients are shown in Table 2.

Based on the detailed expenditure patterns and multipliers built into the IMPLAN model, these \$2.0 million of expenditures by the Harbor Center and its clients contributed an estimated total output effect of **\$2.8 million** to the St. Tammany Parish economy in 2013.

Contribution to Earnings

As shown in Table 1, the Northshore Harbor Center had approximately \$598,000 of employee payroll and benefit expenses in 2013. Local spending by the Harbor Center and its clients generated an estimated \$700,000 of additional earnings for local employees and business owners, for a combined contribution of **\$1.3 million in local earnings** due to activities of the Harbor Center in 2013 (Table 3).

Contribution to Employment

The Northshore Harbor Center employed an average of 21 people in full and part-time positions in 2013. Local expenditures by the Harbor Center and its clients supported an additional 19.1 positions in 2013, for a total combined employment contribution of **40.1 full and part-time jobs** in St. Tammany Parish (Table 4).

Table 1. Northshore Harbor Center operating expenditures: 2013

<u>Category</u>	<u>2013 Expenditures</u>
Employee compensation and benefits	\$ 597,963
Insurance	\$ 223,280
Utilities and telephone expenses	\$ 176,306
General & administrative expenses	\$ 173,707
Marketing, advertising, & promotion	\$ 78,308
Building maintenance, operation, & repairs	\$ 73,386
Sign Engineering & Construction	\$ 55,139
Professional fees	\$ 34,907
Office expenses	\$ 28,152
Miscellaneous expenses	\$ 24,483
Other employee expenses	\$ 10,275
Total	\$ 1,485,232

Table 2. Estimated outside expenditures of Harbor Center clients: 2013

<u>Category</u>	<u>2013 Expenditures</u>
Catering	\$ 110,680
Hotels	\$ 97,572
Advertising	\$ 72,600
Sound & Lighting	\$ 55,350
Miscellaneous	\$ 42,265
Music	\$ 31,800
Décor	\$ 27,950
Outside Equipment Rental	\$ 23,635
Photography	\$ 15,500
Security	\$ 11,374
Speaker Fees	\$ 5,000
Total Client Outside Expenditures	\$ 493,726

Table 3. Estimated earnings contributions of Northshore Harbor Center activities: 2013

Earnings contributed by:	Northshore Harbor	Client	<u>Total</u>
	<u>Center Expenditures</u>	<u>Expenditures</u>	
Direct	\$ 597,963	\$ -	\$ 597,963
Indirect/Induced	\$ 472,136	\$ 227,704	\$ 699,840
Total Earnings Contributions	\$ 1,070,099	\$ 227,704	\$ 1,297,803

Table 4. Estimated employment contributions of Northshore Harbor Center activities: 2013

	Northshore Harbor	Client	<u>Total</u>
	<u>Center Expenditures</u>	<u>Expenditures</u>	
Direct	21.0	0.0	21.0
Indirect/Induced	11.9	7.2	19.1
Total Employment Contributions	32.9	7.2	40.1

Summary of Economic Contributions

The Northshore Harbor Center and the clients and events it hosted contributed an estimated \$2.8 million of economic output to the St. Tammany Parish economy in 2013, supporting an estimated 40.1 full- and part-time jobs with earnings of \$1.3 million.

The Northshore Harbor Center has consistently hosted 70 – 85 cultural and community events per year over the last several years, and provides a significant boost to St. Tammany Parish's economy by bringing or keeping those events and their associated spending within St. Tammany Parish.

Appendix A: List of 2013 Events

Name of Event	Type of Event	Date(s)	Est. Local Spending: Caterers, Hotels, Audio/Visual services, Retail stores, Security, etc.
Krewe Of Bilge	Carnival Ball	1/12/2013	\$ 18,612
Scott Yancey's Seminar	Real Estate Seminar	1/18/2013	\$ 400
EST Chamber	Installation/Awards Banquet	1/18/2013	\$ 11,848
Northshore High School	Who's Who	1/19/2013	\$ 1,500
Clipper Estates	HOA Meeting	1/24/2013	\$ -
Slidell Newcomers	Carnival Ball	1/25 - 1/26/2013	\$ 19,370
St. Tammany FCU	Membership Dinner Mtg.	1/29/2013	\$ 2,399
Krewe of Slidellians	Mardi Gras ball	2/5/2013	\$ 17,431
Peoples Health	Seminar/Flu Shot Clinic	2/7/2013	\$ 245
Krewe of Sisters	Mardi Gras Ball	2/8/2013	\$ 9,773
Peoples Health	Seminar	2/14/2013	\$ 245
Peoples Health	Seminar	2/15/2013	\$ 245
AKA Sorority	Luncheon	2/16/2013	\$ 2,464
EST Chamber	Luncheon	2/20/2013	\$ 1,429
Slidell Gun & Knife Show	Tradeshaw	2/27 - 2/28/2013	\$ 10,345
Boat-N-Fishing Show	Tradeshaw	3/3/2013	\$ 13,561
LSU Continuing Ed	Continuing Ed classes	3/4 - 3/8/2013	\$ 695
Art Monroe	Martial Arts Tournament	3/8/2013	\$ 1,440
NHS Prom	School Dance	3/16/2013	\$ 4,500
Green Grants	Seminar	3/19/2013	\$ 435
Slidell High School	Senior Prom	3/23/2013	\$ 4,180
SMH	Employee Retreat	4/5/2013	\$ 5,100
Zeta Sorority	Regional Mtg./Crawfish Boil	4/14/2013	\$ 850
Pearl River Roller Derby		4/20/2013	\$ 970
EST Chamber	Business Expo	4/25/2013	\$ 3,000
JKB	Focus Group	5/9/2013	\$ 500
Pearl River Graduation	H.S. Graduation	5/10/2013	\$ 7,420
Salmen Graduation	H.S. Graduation	5/13/2013	\$ 2,800
Green Grants	Seminar	5/15/2013	\$ 5,000
Lorig	Wedding Reception	5/18/2013	\$ 5,940
Porter Malouf	BP Claims Meeting	5/20/2013	\$ -
Creative Dance	Dance Rehearsal/Recital	5/21 - 5/25/2013	\$ 28,770
Giacobbe Dance	Dance Recital	5/26/2013	\$ 14,300
Galloway Dance	Dance Recital	5/29 - 6/2/2013	\$ 8,000
St. Tammany SALT Council	Elder Abuse Aware. Day	6/10/2013	\$ 6,186
Elite Dance	Dance Recital	6/12 - 6/15/2013	\$ 33,390
Addie's Angels		6/21/2013	\$ -

Name of Event	Type of Event	Date(s)	Est. Local Spending: Caterers, Hotels, Audio/Visual services, Retail stores, Security, etc.
Pearl River Roller Derby		6/22/2013	\$ 470
Ballard Party		6/29/2013	\$ 4,450
Slidell Gun & Knife Show	Tradeshow	7/13 - 7/14/2013	\$ 7,280
Dean Grasiosi	Real Estate Seminar	7/18/2013	\$ 482
Duhon Foundation	Awards Banquet	7/26/2013	\$ 1,000
GOHSEP	Training	8/1/2013	\$ -
Slidell Looking Glass show	Antique Glass Show	8/10-8/11/2013	\$ 13,010
Holiday Inn Group	Outback Meeting	8/21 - 8/22/2013	\$ 400
Holiday Inn Group	Traylor Bros Mtg.	8/26 - 8/30/2013	\$ 8,317
LSU Continuing Educ	Continuing Ed Classes	9/9 - 9/13/2013	\$ 695
Taco Bell	Managers' Meeting	9/23/2013	\$ 450
Dollar Tree	Regional Mgrs. Meeting	9/24/2013	\$ 1,460
Camps for Her		9/24/2013	\$ 3,709
LA Assoc. of Plumbing Contractors	LAPHCC Conference	10/2/2013	\$ 2,250
Pampered Chef	Regional Sales Meeting	10/3/2013	\$ 565
Northshore High School	Homecoming Dance	10/4/2013	\$ 2,230
Redfish Festival	Captains' Dinner/Banquet	10/4/2013	\$ -
Bras for a Cause	Fundraiser	10/9/2013	\$ 8,898
BP Pipeline	Safety Training	10/10/2013	\$ 4,867
Slidell Newcomers Craft	Tradeshow	10/12 - 10/13/13	\$ 10,777
Cole Brothers Circus	Outside Circus	10/16 - 10/17/2013	\$ 12,210
United Way	Glitz	10/18/2013	\$ 15,559
GCC6 Redemption	Cage Fighting	10/21/2013	\$ 624
Northshore H.S. Sr. Picnic	Senior Picnic	10/24/2013	\$ 10,500
JPAS Blueberry Hill		10/25 - 10/27/2013	\$ 10,140
SMH Women's Health Alliance	Seminar	10/29/2013	\$ 2,000
Slidell Gun/Knife	Consumer Show	11/2 - 11/3/2013	\$ 7,280
Art Monroe	Martial Arts Tournament	11/16/2013	\$ 1,674
Oak Harbor Property Owners	Homeowners Assoc. Meeting	11/21/2013	\$ -
EST Habitat	Fundraiser	11/22/2013	\$ 4,700
Patel	Wedding	11/29/2013	\$ 99,000
1st Step Consulting	Angel's Pageant	12/1/2013	\$ 1,030
SMH	Awards Banquet	12/13/2013	\$ 14,360
99 Houses	Film crew rental of parking lot	12/13/2013	\$ -
Total Estimated Client Outside Expenditures			\$ 493,726



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