
Estimated
Economic
Contributions of:

The 2012
Activities of the
**Northshore
Harbor Center**

To the Economy of
St. Tammany Parish,
Louisiana

September 2013



Southeastern Louisiana
University
Business Research Center
& College of Business

Herb Holloway
Dr. Abul Jamal
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September 30, 2013

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 2012 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. The Northshore Harbor Center

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

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 2012 operations on St. Tammany Parish.

Data, Assumptions, and Model Construction

The Northshore Harbor Center hosted 86 clients or events in 2012 (see Appendix A), ranging from class reunions to weddings to high school proms to craft shows to industry training seminars.

This analysis was based on expenditure data for Northshore Harbor Center provided by the Harbor Center staff for calendar year 2012, as well as their estimates of outside spending by clients who utilized the facility in 2012.

Approximately 76 percent (\$2.8 million) of the Harbor Center's 2012 revenues of \$3.7 million were derived from property taxes collected from St. Tammany Parish businesses and residents. Approximately \$1.1 million of the property tax revenue allocated to the Harbor Center in 2012 was dedicated to servicing the bond debt issued when the facility was constructed in 2004-2005, and the Harbor Center used an additional \$0.5 million for additional principal payments on the bonds. Approximately \$0.5 million of tourism and hotel tax revenues were invested in a deferred maintenance/contingency fund account. None of this \$2.1 million of revenue was included in estimating the Harbor Center's 2012 economic contributions to the St. Tammany Parish economy.

The impact associated with the Harbor Center's bonds occurred *in the past* when the facility was built, and other than the interest portion of any bond payments going to St. Tammany Parish residents who may hold the bonds, the bond payments have no impact on the local economy.

Conversely, the impact from the tax revenues going into the deferred maintenance account will not be felt in St. Tammany Parish until the funds are used for repairs and renovations *in the future*.

Because a large portion of the Harbor Center's 2012 funding was derived from local property taxes, and because no mechanism existed to separate vendors or attendees and allocate their spending based on parish or state of residence, 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 2012, and not as an **Impact Analysis** analyzing the impact of new or outside money.

Contribution to Economic Output

The Northshore Harbor Center spent approximately \$1.6 million in operational expenses in 2012, of which an estimated \$1.3 million was spent locally. Clients and attendees spent an estimated \$712,000 of additional expenditures at area businesses. Combined, the Harbor Center and its clients spent approximately \$2 million in St. Tammany Parish in 2012. Operating expenditures of the Harbor Center are detailed in Table 1 (in descending order of amount), and estimated expenditures by clients are shown in Table 2.

<u>Category</u>	<u>2012 Expenditures</u>
Employee compensation and benefits	\$ 604,006
General & administrative expenses	\$ 267,050
Insurance	\$ 213,619
Building maintenance, operation, & repairs	\$ 141,435
Utilities and telephone expenses	\$ 139,432
Marketing, advertising, & promotion	\$ 75,085
Professional fees	\$ 71,265
Event expenses	\$ 33,136
Office expenses	\$ 30,773
Other employee expenses	\$ 8,082
Capital outlays	\$ 7,626
Miscellaneous expenses	\$ 214
Total	\$ 1,591,722

Based on the detailed expenditure patterns and multipliers built into the IMPLAN model, these expenditures contributed an estimated total output effect of **\$3.4 million** to the St. Tammany Parish economy in 2012.

Contribution to Earnings

As shown in Table 1, the Northshore Harbor Center had approximately \$604,000 of employee payroll and benefit expenses in 2012. Local spending by the Harbor Center and its clients generated an estimated \$822,000 of additional earnings for local employees and business owners, for a combined contribution of **\$1.4 million in local earnings** due to activities of the Harbor Center in 2012 (Table 3).

<u>Category</u>	<u>2012 Expenditures</u>
Catering	\$ 221,878
Advertising	\$ 85,575
Music	\$ 78,950
Hotels	\$ 63,165
Misc.	\$ 62,040
Sound & Lighting	\$ 61,870
Outside Equipment Rental	\$ 57,749
Décor	\$ 32,750
Security	\$ 24,842
Photography	\$ 22,870
Total Client Expenditures	\$ 711,689

Earnings contributed by:	Northshore Harbor	Client	<u>Total</u>
	<u>Center Expenditures</u>	<u>Expenditures</u>	
Direct	\$ 604,006	\$ -	\$ 604,006
Indirect/Induced	<u>\$ 501,838</u>	<u>\$ 320,118</u>	<u>\$ 821,956</u>
Total Earnings Contributions	\$ 1,105,844	\$ 320,118	\$ 1,425,962

Contribution to Employment

The Northshore Harbor Center employed an average of 20 people in full and part-time positions in 2012. Local expenditures by the Harbor Center and its clients supported an additional 23.9 positions in 2012, for a total combined employment contribution of **43.9 full and part-time jobs** in St. Tammany Parish (Table 4).

	Northshore Harbor	Client	<u>Total</u>
	<u>Center Expenditures</u>	<u>Expenditures</u>	
Direct	20.0	0.0	20.0
Indirect/Induced	<u>13.1</u>	<u>10.8</u>	<u>23.9</u>
Total Employment Contributions	33.1	10.8	43.9

Summary of Economic Contributions

The Northshore Harbor Center and the clients and events it hosted contributed an estimated \$3.4 million of economic output to the St. Tammany Parish economy in 2012, supporting an estimated 43.9 full- and part-time jobs with earnings of \$1.4 million.

The Northshore Harbor Center has consistently hosted 75 – 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 2012 Events

Name of Event	Type of Event	Date(s)	Est. Local Spending: Caterers, Hotels, Audio/Visual services, Retail stores, Security, etc.
Leading Financial	Seminar	1/4/2012	\$ 820
LeCotillion	Debutante Ball	1/7/2012	\$ 10,430
St. Tammany Inaugural	Inauguration Gala	1/13/2012	\$ 43,980
Northshore High School	School Dance	1/14/2012	\$ 4,480
People Health-Susan	Health Seminar	1/18/2012	\$ -
EST Chamber Starry Nights	Chamber Installation	1/20/2012	\$ 5,000
Krewe Of Bilge	Carnival Ball	1/21/2012	\$ 22,919
Krewe of Sisters	Mardi Gras Ball	1/28/2012	\$ 1,500
Slidell Newcomers	Carnival Ball	2/4/2012	\$ 19,113
EST Chamber Luncheon	Monthly Chamber Lunch	2/6/2012	\$ 1,979
Krewe of Slidellians	Mardi Gras ball	2/11 - 2/12/2012	\$ 7,380
Slidell Gun/Knife	Tradeshaw	2/25 - 2/26/2012	\$ 15,000
People Health	Health Seminar	2/29/2012	\$ 563
Pope John Paul H.S.	Sweet 16 Dinner Dance	3/9/2012	\$ 15,531
PR Roller Derby	Sporting	3/10/2012	\$ 925
Boat & Fishing Show	Tradeshaw	3/16 - 3/18/2012	\$ 15,725
Shelton Party	16th Birthday Party	3/23/2012	\$ 840
NHS Prom	School Dance	3/24/2012	\$ 4,700
STPSO Awards	Awards Banquet	3/28/2012	\$ -
Slidell High Prom	School Dance	3/31/2012	\$ 4,740
Salmen Prom	School Dance	4/14/2012	\$ 3,000
GSQA Quilt Judging	Judging Quilts for Show	4/16 - 4/18/2012	\$ 2,300
GSQA Quilt Show	Quilt Show	4/19 - 4/21/2012	\$ 10,228
Fire and Ice Dance	Competition	4/28 - 4/29/2012	\$ 3,080
GM Training	Training Meetings	5/1 - 5/3/2012	\$ 5,098
Friend Cinco Gala	Fundraiser	5/5/2012	\$ 12,312
Salmen Graduation	H.S. Graduation	5/9/2012	\$ 2,000
Pearl River Graduation	H.S. Graduation	5/11/2012	\$ 7,370
Northshore Baseball Academy	Fundraiser	5/12/2012	\$ 10,269
No Curfew Tour	Mother's Day Concert	5/13/2012	\$ 30,095
Creative Dance	Dance Rehearsals & Recitals	5/15 - 5/19/2012	\$ 36,208
NPC Championship 13	Body Building Contest	5/26/2012	\$ 4,100

Name of Event	Type of Event	Date(s)	Est. Local Spending: Caterers, Hotels, Audio/Visual services, Retail stores, Security, etc.
Galloway's Studio of Dance	Dance Recital	5/30 - 6/3/2012	\$ 11,681
Northlake Dance Center	Dance Recital	6/9/2012	\$ 7,315
St. Tamm S.A.L.T. Council	Seminar	6/11/2012	\$ 6,445
Elite Dance	Dance Rehearsal/Recitals	6/13 - 6/16/2012	\$ 32,677
Piccadilly Circus	Circus in Building	6/17/2012	\$ 1,960
Chamber Tech Smart	Seminar	6/19/2012	\$ 2,725
Sysco Sales Meeting	Sales Meeting	6/22/2012	\$ 3,813
Teamberya Simmons	Wedding & Reception	6/30/2012	\$ 10,608
Slidell Gun/Knife	Consumer Show	7/13 - 7/15/2012	\$ 14,709
Banfield Pet Hospital	Training	7/17/2012	\$ 804
Chris Duhon Standing Tall Foundation Banquet	Scholarship Award Banquet	7/20/2012	\$ 3,200
Slidell High Class of 60's Reunion	School Reunion	7/21/2012	\$ 6,869
Marion Abramson H.S.	High School Reunion	7/28/2012	\$ 3,910
Pampered Chef 2012	Falls Sales Launch	8/4/2012	\$ 23,808
LATA	Tax Seminar	8/8/2012	\$ 3,235
Slidell Looking Glass show	Antique Glass Show 2012	8/11 - 8/12/2012	\$ 35,200
Plexus Slim	Regional Recruiting Mtg.	8/17/2012	\$ 1,000
PR Roller Derby	Sporting	8/18/2012	\$ 1,141
St Tammany Parish	Small Bus. Summit 2012	8/22/2012	\$ -
Chamber Luncheon	Business Lunch	9/12/2013	\$ 3,406
Steinhauer Productions	Arts & Craft Show	9/14/2012	\$ 7,311
US Leadership Forum	Hurricane Isaac Summit	9/24/2012	\$ 7,295
Northshore High School	Homecoming Dance	10/5/2012	\$ 2,100
PR Roller Derby	Sporting	10/6/2012	\$ 1,410
AWG Assessment	Assessment Training	10/9,11,15,16/2012	\$ -
HT3 Redfish	Captains Dinner	10/10/2012	\$ 19,537
EST Chamber Athena	Awards Luncheon	10/10/2012	\$ 4,435
BP Pipeline	Safety Training Fall 12	10/10/2012	\$ 4,867
Bras for a Cause	Fundraiser	10/11/2012	\$ 7,855
Slidell Newcomers Craft	Tradeshow	10/12 - 10/14/2012	\$ 6,628
Nicholls H.S. Reunion	50th Reunion	10/20/2012	\$ 6,437
Chamber Tech Smart	Seminar	10/23/2012	\$ 2,593
Northshore H.S. Sr Picnic	Senior Picnic	10/25/2012	\$ 1,000

Name of Event	Type of Event	Date(s)	Est. Local Spending: Caterers, Hotels, Audio/Visual services, Retail stores, Security, etc.
Project Mgmt. Institute of GNO	Seminar and Training	10/27/2012	\$ 6,845
SMH Women's Health Alliance	Seminar/Luncheon	10/30/2012	\$ 8,405
Slidell Gun/Knife	Consumer Show	11/3 - 11/4/2012	\$ 15,324
Textron Training	Navy Training Meeting	11/7 - 11/8/2012	\$ -
US Army Corps of Engineers	Info Meeting on Hurricanes	11/14/2012	\$ 980
Oak Harbor Property Owners	Homeowners Assoc. Meeting	11/15/2012	\$ 850
EST Habitat	Fundraiser	11/16/2012	\$ 9,880
Maken Believe Concert	Rap Concert	11/17/2012	\$ 36,010
Byrd Wedding Reception	Wedding & Reception	11/18/2012	\$ 8,059
Dionysis Ball	Carnival Krewe	11/23/2012	\$ 10,193
Slidell Nutcracker 2012	Ballet w/ LPO Orchestra	12/1 - 12/2/2012	\$ 10,698
United Way	Fundraiser 2012	12/8/2012	\$ 15,175
Teddy Bear Tea	Children's Tea Party	12/9/2012	\$ 11,235
SMH Awards	Awards Banquet	12/10/2012	\$ 14,580
EST Chamber Holiday Lunch	Luncheon	12/13/2012	\$ 4,825
US Marine Corps Concert	Toys for Tots Concert	12/14/2012	\$ 4,283
People's Health	Health Seminar	12/15/2012	\$ 1,098
LA Angels Pageant	Pageant	12/17/2012	\$ -
Chamber Human Resources	Workshop/Seminar	12/20/2012	\$ -
Bias Christmas Party	Toy Drive	12/21/2012	\$ 2,500
Holden Sweet 16 Party	Birthday Party-Salmen HS	12/22/2012	\$ 3,090
Total Estimated Client Outside Expenditures			\$ 711,689



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