
GIANTS RIDGE ECONOMIC IMPACT ANALYSIS, 2017-2019

GIANTS RIDGE RECREATION AREA BIWABIK, MN

**PREPARED FOR:
DEPARTMENT OF IRON RANGE RESOURCES
& REHABILITATION (IRRR)**



Economic & Market Research / Land & Development Planning
Landscape Architecture / Community Planning & Design
Golf Feasibility Analysis

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JULY 27, 2020

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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

After examining financial statements for the Giants Ridge Recreation Area, along with various tax revenue statements and reports published by the State of Minnesota and the University of Minnesota, THK has calculated the actual economic impacts generated by activities at the Giants Ridge Recreation Area from 2017 to 2019. During this time, there was an estimated cumulative impact of \$166.3-million to the surrounding communities.

A few changes and events have occurred in and around the Giants Ridge Recreational Area since 2016, some of which had impacts on the economic success of 2017-2019. Each of these items are described below.

- New Giants Ridge Event Center was completed in summer 2016.
- A new 32-ft climbing wall constructed in fall 2016.
- The Residence Club ownership converted to the State of Minnesota/IRRR in 2016.
- The Giants Ridge Core Area Master Plan was completed in August 2017. Using the three goals of (1) increasing the opportunities for winter business, (2) increasing the opportunities for summer business, and (3) identifying opportunities for future development and accommodations, this Plan sets the stage for the design, future growth, and interconnectivity of the area.
- A children's playground and two new quad chair lifts were added in late 2017/early 2018.
- In 2018/2019, a severe winter destroyed the greens on the Quarry and the Legend, and the Quarry wasn't able to recover that season.
- Giants Ridge Bike Park: The 2020 season at Giants Ridge started out with five purpose-built gravity mountain bike trails currently in place (3.5 miles), with more gravity trails and more than 20 miles of cross-country trail in construction throughout the season. This will make Giants Ridge the largest lift-served mountain bike park in the Midwest.

The 2020 fiscal year originally looked promising, but the outbreak of the Covid-19 virus forced all non-essential businesses and travel to temporarily shut down March through May of 2020. This pandemic has injured the revenue streams for companies in all industries around the world. At this time, it's hard to say what will happen, but US leading officials suggest the use of face masks may be required in public spaces through the end of 2020.

EXECUTIVE SUMMARY

Economic Impacts of the Giants Ridge Recreation Area, 2017-2019

	Actual 2017	Actual 2018	Actual 2019	Annual Average 2017-2019
Total Operating Revenues	\$24,599,782	\$26,213,316	\$25,526,128	\$25,446,409
Total Wages	\$6,542,956	\$6,374,794	\$6,343,283	\$6,420,345
Total Taxes	\$2,803,190	\$2,781,876	\$2,763,841	\$2,782,969
TOTAL DIRECT IMPACT	\$33,945,928	\$35,369,987	\$34,633,252	\$34,649,723
Multiplier	1.60	1.60	1.60	1.60
TOTAL ANNUAL IMPACTS	\$54,313,486	\$56,591,979	\$55,413,203	\$55,439,556
2017-2019 Cumulative Impacts	\$166,318,668			

Source: THK Associates, Inc.

I. INTRODUCTION

I. INTRODUCTION

Task One: Economic Measuring of the Impacts of Giants Ridge

The initial task for this Economic and Fiscal Impact Study was to assess the overall historical economic performance of the Giants Ridge community. This involved reviewing the overall goals and objective of the IRRR for the community and investments made to date. Major areas of research included:

- Historical performance of the local economy (2017-2019) in terms of employment, population, households, tourism and development activity.
- Demonstrating the historical financial performance of Giants Ridge service providers.

Task Two: Information Gathering

The second task was to coordinate the assemblage of performance data that includes, but is not limited to: the ski area; the Legend and Quarry golf courses; the ski chalet; the Lodge; Villas, the Event Center and related uses. Additional data, such as methods of assessment and tax rates for the City of Biwabik and St. Louis County were also updated for 2017-2019.

Task Three: Off-Mountain & Resident Spending

THK has updated the impacts from local and destination tourists and guests, as well as from local residents, for 2017, 2018, and 2019. Typical expenditures from skiers, golfers, fishing, snowmobiling, and other activities were researched and the total spending at Giants Ridge and in the local community were quantified. Also, residents within the Giants Ridge Recreation area make expenditures at Giants Ridge and in the local communities and these too were measured from annual expenditures by industry category for 2017 to 2019.

Task Four: Data Analysis

The analysis of the data resulted in the profiling of a number of economic impacts. The major impacts include, but are not limited to, the following areas:

Property and Sales Taxes

Within the Giants Ridge recreational area, privately held real estate, the Lodge and Villas are required to pay property taxes to the county, local municipalities and service providers. In order to determine property tax impacts, THK researched the actual taxes paid to the various entities in 2017, 2018 and 2019. In addition, various entities received sales taxes and other revenues from activity and sales at Giants Ridge.

Direct Wages

The Giants Ridge golf courses, ski area, and related recreation facilities result in the direct, or contracted, employment of a number of personnel ranging from development managers to maintenance workers. In addition, private enterprises employ workers at the Lodge, ski area, bicycle rentals, the Villas and other businesses. Payroll for all of these employees for the years 2017 through 2019, were reviewed and their impacts documented and accessed.

Tourism Impacts

Tourists and visitors to the golf courses, ski area, and the second home market generate significant expenditures for lodging, services, golf, ski and other recreation user fees and food and beverage sales. The expenditures at the IRRR controlled Giants Ridge facilities are readily available for 2017, 2018 and 2019. Revenues from the Lodge and Villas are confidential, therefore, THK estimated those revenues for 2017, 2018 and 2019, using ratios of performance tied to the Giants Ridge facilities.

Direct Purchases

In order to operate the Giants Ridge facilities, a number of expenditures for supplies, materials, and other items are required on an ongoing basis. These items include replacement of equipment and supplies for the golf courses and ski area operations, as well as supplies and equipment for the Lodge, Villas, and other administrative expenditures. These expenditures were analyzed and profiled by local, regional, or national origin for 2017, 2018 and 2019.

Indirect Expenditures

Once the direct impacts/expenditures were documented for 2017, 2018 and 2019, THK researched industry standards which can be applied to these initial expenditures that determine "secondary" expenditures that are caused by initial expenditures. For example, wages paid directly to employees in the area are in turn cycled throughout the community for housing, retail goods and services, etc. THK researched and estimated indirect expenditures, indirect taxes, indirect employment, and other financial areas impacted. THK then reviewed the models and estimated the indirect expenditures, revenues, employment, and related items.

II. GIANTS RIDGE AREA & FACILITIES

II. GIANTS RIDGE AREA & FACILITIES

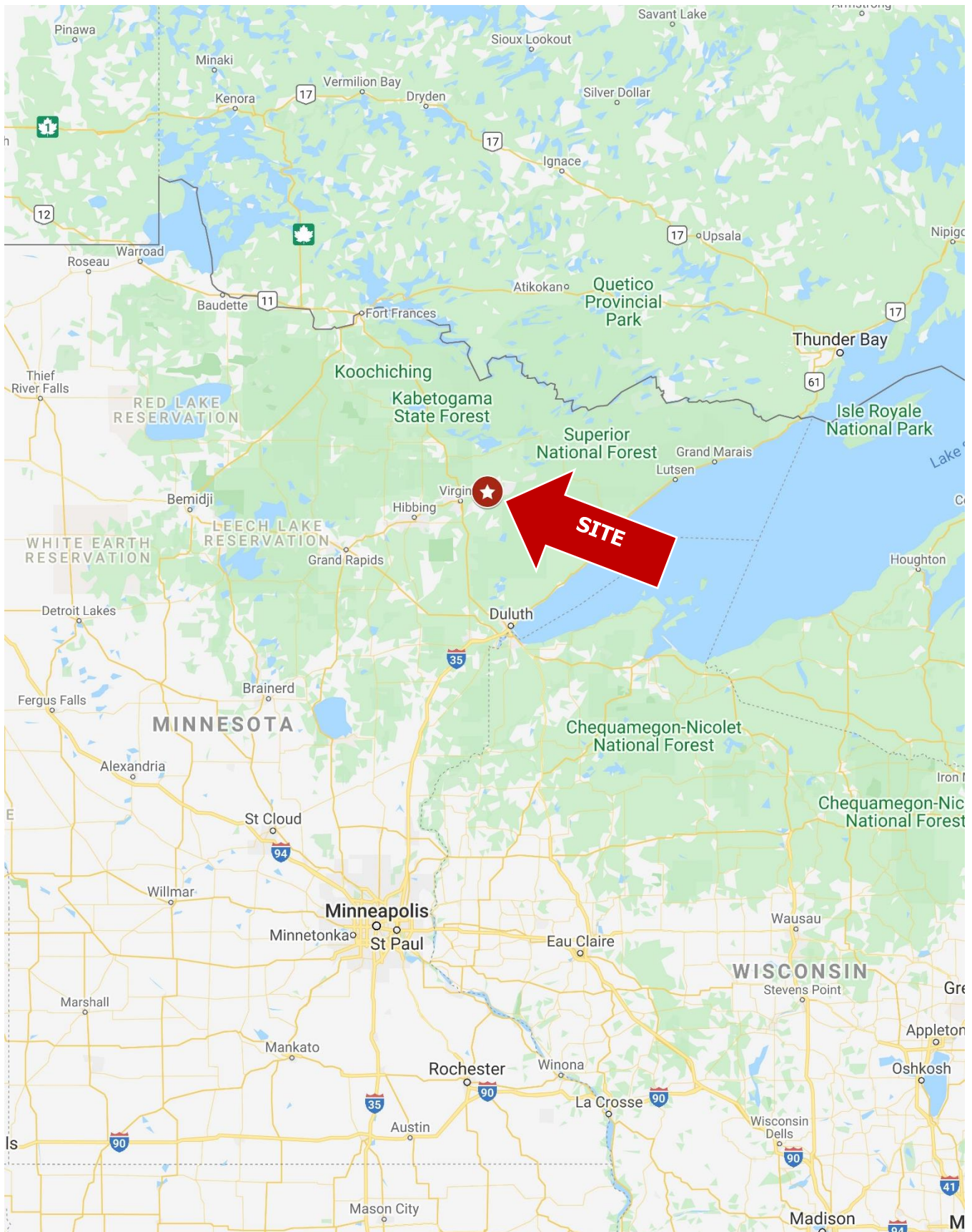
A. AREA DESCRIPTION

The Giants Ridge Recreational Area is located just off Highway 135 near the City of Biwabik in St. Louis County, Minnesota. The existing ski area, golf courses, lodging options, and numerous surrounding lakes, along with the scenic beauty of the region, has made Giants Ridge a popular destination for recreational enthusiasts. Recent improvements, such as a 32-ft climbing wall and 3.5+ miles of mountain bike trails, have further enhanced the Giants Ridge development as a year-round resort.

Giants Ridge is accessible via Highway 53 and Highway 169. These major arterials are the main link between northeastern Minnesota population centers and connect to metropolitan areas such as Duluth and the Twin Cities. The Giants Ridge Resort is well known throughout the greater region and provides instant name and location recognition for the golf development. The second golf course located at Giants Ridge will further distinguish the resort from any other facility in the area due to the resort's established reputation as a recreational destination.

GIANTS RIDGE AREA & FACILITIES

Figure 1 - REGIONAL LOCATION



GIANTS RIDGE AREA & FACILITIES

Figure 2 - AERIAL



GIANTS RIDGE AREA & FACILITIES

Figure 3 - GIANTS RIDGE CONCEPT PLAN



Source: Giants Ridge Core Area Master Plan

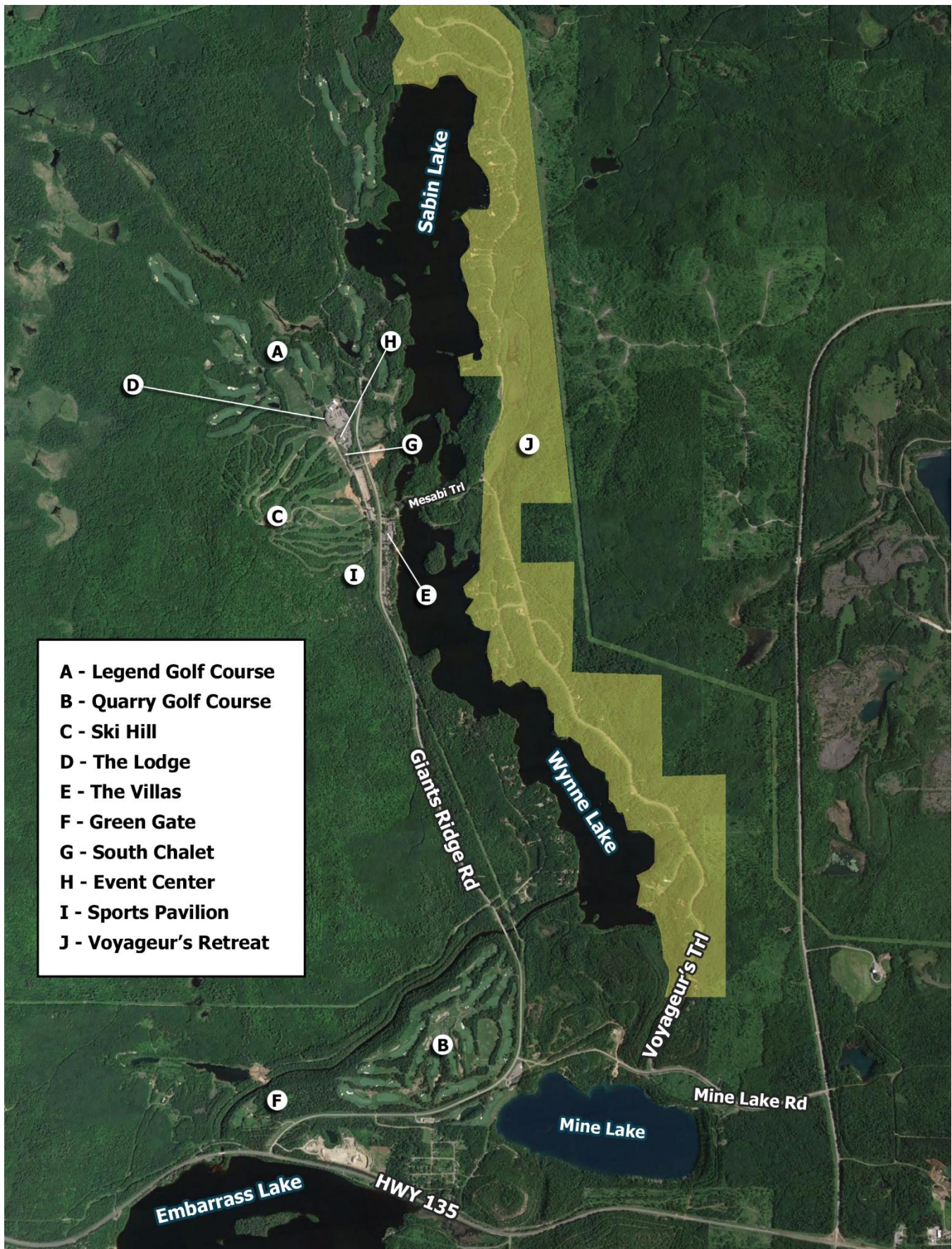
GIANTS RIDGE AREA & FACILITIES

B. FACILITIES AT GIANTS RIDGE

Facilities in the Giants Ridge Recreation Area include those for recreational, lodging, and supportive uses, as well as residential subdivisions. Recreational structures include the Legend Golf Course, the Quarry Golf Course, and Ski Hill. Lodging options include the Lodge at Giants Ridge, The Villas, and the Green Gates. Supportive structures include the South Chalet, the Event Center, and the Pavilion; and the residential subdivisions include The Woodlands/Residence Club and Voyageur's Retreat. Figure 4 illustrates the locations of each facility, and descriptions of each can be found on the following pages.

GIANTS RIDGE AREA & FACILITIES

Figure 4 - FACILITIES AT GIANTS RIDGE



GIANTS RIDGE AREA & FACILITIES

The Legend Golf Course

The Legend Golf Course opened in 1997 and was designed by Lanny Wadkins and Jeff Brauer. The course offers an 18-hole “world class” golf experience. The Legend was ranked as the #4 public golf course in Minnesota and one of the top 100 courses in the country in 2014/2014 by Golf Digest and Golf Magazine. The 18-hole course offers return 9’s, has a small snack/food service area, a 1,000 square foot pro shop, and a maintenance facility. The course is 6,930 yards from the championship tees.

The Quarry Golf Course

The Quarry Golf Course opened in 2003 and was designed by Jeff Brauer. The course offers an 18-hole “world class” golf experience. The Quarry was ranked as the #1 public golf course in Minnesota and one of the top 100 courses in the country in 2014/2014 by Golf Digest and Golf Magazine. The 18-hole course offers return 9’s, has a small snack/food service area, a 1,000 square foot pro shop, and a maintenance facility. The course is 6,930 yards from the championship tees.

Ski Hill

The Ski Hill encompasses 35 runs ranging from beginner to expert. The vertical relief is approximately 500 feet. The runs are served by two new quad ski lifts that went into operation in late 2017. There are also 60 kilometers of groomed cross-country ski trails, snow tubing, and snowshoe trails.

The Lodge at Giants Ridge

The Lodge at Giants Ridge was built in 1999. The facility has undergone numerous management and ownership changes since that time. The original facility contained 82 rooms. Today the facility consists of 67 rooms/units which are owned by individuals and the current property management company as condominium hotel units. In addition to lodging, there is a full-service bar and restaurant (known as the Sleeping Giant), a full-service salon/spa (concession agreement), an indoor pool area, and a gift shop.

The Villas at Giants Ridge

The Villas are 52 townhome style units that are all individually owned. All but a few of the units are offered as rental units for overnight accommodations to support the ski and golf operations. The Villas are a short distance from the ski hill and Legend Golf course. There are a total of 126 bedrooms and maximum capacity is for 374 guests at double occupancy per bed, or 155 at single occupancy per bed.

Green Gate Guest Houses

The Green Gate Guest Houses contains four overnight rental units. One unit is a restored, historic log cabin that has one bedroom and sleeps three. The fully restored main farmhouse has three bedrooms and can sleep up to six. The third building is a converted barn and silo that can sleep up to six in two bedrooms and a family room. All four units are located on a private 13-acre parcel near the entrance to Giants Ridge across from the Quarry Golf Course.

South Chalet

The South Chalet recently underwent a major renovation and conversion into a Nordic Center, Ski Patrol, and Season Pass Locker area. This building is roughly 6,300 square feet.

GIANTS RIDGE AREA & FACILITIES

Event Center (Main Chalet)

The new Event Center, or Main Chalet, was completed in the summer of 2016. This facility contains food and beverage services, equipment rentals (skis, mountain bikes, tubes, etc.), a ski school, gift shop, ticketing, restrooms, and offices. The facility is also marketed as a destination for weddings, corporate meetings, and related activities. The facility is roughly 34,000 square feet.

Sports Pavilion

A Sports Pavilion was added in 2014/2015 to serve daily lockers, school ski teams, meeting space, and related events. The space has also been rented for weddings and other activities. The size of the facility is 2,250 square feet.

The Woodlands/Residence Club

Originally there were 19 lots developed near the Lodge known as the Woodlands. Most of the lots have been sold and there are five homes built. One owner purchased multiple lots to create open space between his home and other future construction. An additional 27 lots community adjacent to The Woodlands known as The Residence Club was recently developed and planned as 27 homes that would function as fractional ownership. One home was built and the fractional ownership concept was unsuccessful. The State of Minnesota Department of IRRR took possession of the remaining 26 lots in 2016.

Voyageur's Retreat

This single-family residential community is located on the east side of Sabin and Wynne Lakes. The subdivision's first phase was developed in 2005, and management of the HOA was turned over to property owners in 2015. There are more than 250 lots, each 1-3 acres in size, of which approximately 170 have been sold. To date, there are 47 homes built. The homes are primarily second homes for the Minneapolis area. In the early years lots prices for lake-frontage were in the \$280,000 range.

According to the St. Louis County Assessor, there were a total of 36 sales in Voyageur's Retreat from 2016 to 2019. In 2016, 12 vacant lots were sold at an average price of \$37,327. In 2017, 4 vacant lots were sold at average price of \$69,625 and 4 homes were sold at an average price of \$428,975. In 2018, 6 vacant lots were sold at an average price of \$36,917 and 2 homes were sold at an average price of \$525,000. In 2019, 4 vacant lots were sold at an average price of \$48,225 and 4 homes were sold at an average price of \$399,850. While no new homes have been constructed since the 2016 Study, building permit activity at the City of Biwabik illustrates a renewed interest in this area.

Restaurants

Burnt Onion Kitchen & Brews: Located in the new Event Center.

Wacootah Grille: Located at the Quarry Clubhouse.

Bunkers Snack Bar: Located at the Legend Clubhouse.

The Sleeping Giant: Located in the Lodge.

ECONOMIC BASE ANALYSIS

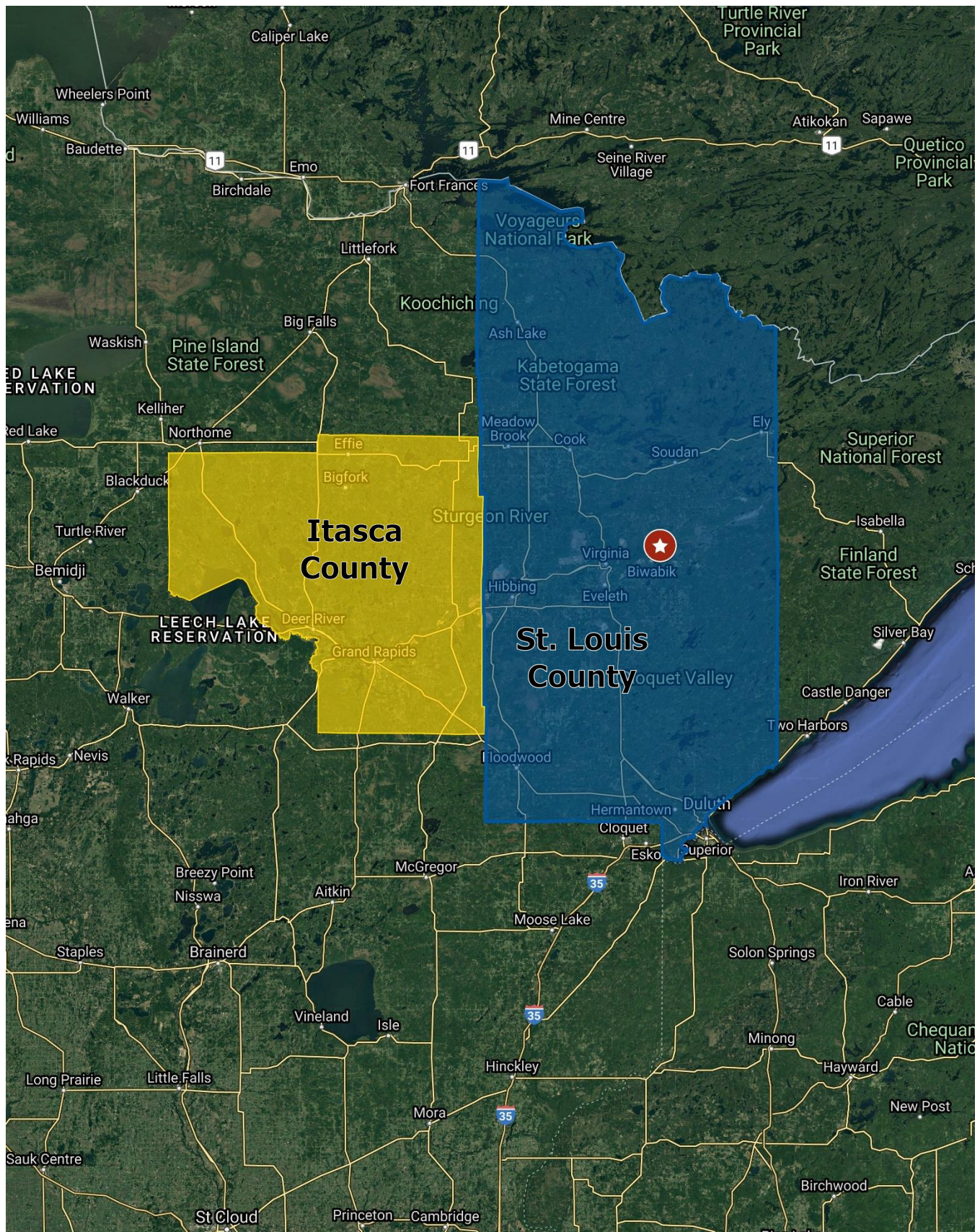
III. ECONOMIC BASE ANALYSIS

A. MARKET DELINEATION

In order to determine key economic indicators for a market, the market must first be delineated. The Giants Ridge Recreational Area is located in St. Louis County, yet pulls demand from a much larger area. For this analysis, THK has delineated a Two-County area from which the economic base will be materialized. This Two-County area includes St. Louis and Itasca Counties. A map of these counties is provided on the following page.

ECONOMIC BASE ANALYSIS

Figure 5 - THE TWO-COUNTY MARKET AREA



ECONOMIC BASE ANALYSIS

B. EMPLOYMENT TRENDS

Employment trends are prime indicators of the economic growth of an area. Increases in employment generate growth for most sectors of the local economy and dictate the rate at which it will expand. This section looks at the area's various employment figures by industry and projects their course over the next decade.

Table III-1 shows employment by industry trends for the Two-County Area from 2017 to 2019. On average, total employment grew by 804 jobs each year, or by 0.5%. The greatest change in jobs during this period are found in the Healthcare & Social Assistance (addition of 294 jobs), Government & Government Enterprises (loss of 272 jobs), and Construction (addition of 260 jobs) industries.

Table III-1: Employment by Industry in the Two County Area, 2017-2019

Industry	Sector Code	2017	2018	2019	Avg. Annual Change 2017-2019
Total Non-Farm (By Place of Work)		145,571	146,886	147,201	815
Forestry, fishing, and related activities	11	929	945	953	12
Mining	21	3,960	4,114	4,132	86
Utilities	22	1,247	1,231	1,211	-18
Construction	23	6,817	7,347	7,336	260
Manufacturing	31-33	6,133	6,451	6,430	148
Wholesale trade	42	2,923	2,861	2,803	-60
Retail Trade	44-45	17,138	17,003	16,898	-120
Transportation and warehousing	48-49	4,354	4,612	4,753	199
Information	51	1,579	1,505	1,453	-63
Finance and insurance	52	6,018	5,867	5,843	-87
Real estate and rental and leasing	53	4,758	4,823	4,923	83
Professional and technical services	54	6,392	6,482	6,525	66
Management of companies and enterprises	55	804	766	750	-27
Administrative and waste services	56	4,125	4,029	3,942	-91
Educational services	61	2,718	2,791	2,774	28
Health care and social assistance	62	30,316	30,598	30,904	294
Arts, entertainment, and recreation	71	3,351	3,513	3,607	128
Accommodation and food services	2000-2010	12,245	12,357	12,466	110
Other services, except public administration	81	8,601	8,830	8,880	139
Government and government enterprises	90	21,163	20,761	20,618	-272
Farm employment	--	960	958	937	-11
Total Employment		146,531	147,844	148,138	804
Annual Rate of Change		--	0.9%	0.2%	0.5%

Source: Bureau of Economic Analysis, & THK Associates, Inc.

ECONOMIC BASE ANALYSIS

C. POPULATION & HOUSEHOLD TRENDS

Table III-2 illustrates the population and household statistics for the Two-County Area from 2017 to 2019. Despite the steady increase in employment during this period, the population and households actually saw a slight decrease. The population decreased by an average of 211 persons each year, and households dropped by an average of 115 each year.

Table III-2: Population and Households in the Two County Area, 2017-2019

Year	Total Employment	Employment Participation Ratio	Permanent January 1, Population	Annual Population Change	Population in Group Quarters	Permanent Population In Households	Permanent Population Per Household	Households	Annual Household Change
2017	146,531	0.590	248,315	---	10,289	238,026	2.2682	104,939	--
2018	147,844	0.596	247,943	-370	10,265	237,677	2.2692	104,739	-200
2019	148,138	0.598	247,893	-50	10,242	237,651	2.2697	104,708	-30
Average									
Annual Change									
2017-2019	804		-211		-23	-188		-115	
%	0.55%		-0.09%		-0.23%	-0.08%		-0.11%	

Source: US Bureau of the Census, & THK Associates, Inc.

ECONOMIC BASE ANALYSIS

D. INCOME LEVELS

Table III-3 illustrates the Two-County Area per capita income level and annual change from 2017 to 2019. The average Two-County Area per capita income has increased by \$2,185 each year in St. Louis County, or 4.8%, and by \$2,151 or 3.3% in Itasca County, both of which are lower than the United States per capita income increase of \$2,377, yet both are at a quicker rate than 4.5%.

Table III-3: Per Capita Income by County for the Giant's Ridge Area, 2017-2019

Year	St. Louis County		Itasca County		United States	
	Income	Annual Change	Income	Annual Change	Income	Annual Change
2017	\$44,863	3.3%	\$40,982	2.6%	\$51,910	4.0%
2018	\$47,417	5.7%	\$43,685	6.6%	\$54,526	5.0%
2019	\$49,233	3.8%	\$45,284	3.7%	\$56,663	3.9%
Average Annual Change 2017-2019	\$2,185	4.8%	\$2,151	5.1%	\$2,377	4.5%

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, & THK Associates, Inc.

E. RESIDENTIAL CONSTRUCTION TRENDS

Table III-4 and Table III-5, respectively, show the number of single-family permits and multi-family permits issued annually for the Two-County Area from 2017 to 2019. The numbers of each permit type are further detailed as a percentage of the total number of permits issued in the market area.

During this time, the Two-County area issued an average of 654 total permits each year. Single-family permits accounted for 64.9% of total permits issued.

Table III-6 highlights the number of residential building permits issued for each of the reporting municipalities in the Two-County Area from 2017-2019. During this period, there was only an average of 5 residential permits issued each year. Single-family permits accounted for 100% of the total permits issued during those three years.

ECONOMIC BASE ANALYSIS

Table III-4: Residential Permits Issued in the Two County Area, 2017 - 2019

	St. Louis County		Itasca County		
Year	Permits	Percent of Total	Permits	Percent of Total	Total
Single Family					
2017	343	82.3%	74	17.7%	417
2018	321	78.5%	88	21.5%	409
2019	347	77.6%	100	22.4%	447
3-Year Average 2017-2019	337	79.4%	87	20.6%	424
Multi-Family					
2017	153	98.7%	2	1.3%	155
2018	160	98.8%	2	1.2%	162
2019	370	99.5%	2	0.5%	372
3-Year Average 2017-2019	228	99.1%	2	0.9%	230
Total					
2017	496	86.7%	76	13.3%	572
2018	481	84.2%	90	15.8%	571
2019	717	87.5%	102	12.5%	819
3-Year Average 2017-2019	565	86.3%	89	13.7%	654

Source: U.S. Department of Commerce, C-40 Reports & THK Associates, Inc.

Table III-5: Residential Building Permits Issued in the Two County Area, 1990-2019

Year	Single Family Units	Percent of Total	Multi-Family Units	Percent of Total	Total
2017	417	72.9%	155	27.1%	572
2018	409	71.6%	162	28.4%	571
2019	447	54.6%	372	45.4%	819
3-Year Average 2017-2019	424	64.9%	230	35.1%	654

Source: U.S. Department of Commerce C-40 Reports and THK Associates, Inc.

ECONOMIC BASE ANALYSIS

Table III-6: Residential Permits Issued in Municipalities in the Two County Area, 2017-2019

Single Family													
Year	Biwabik		Virginia		Eveleth		Aurora		Hoyt Lakes		Gilbert		Total Single Family
	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	
2017	2	25.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	6	75.0%	8
2018	2	33.3%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	4	66.7%	6
2019	2	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	2
3-Year Average 2017-2019	2	37.5%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	3	62.5%	5
Multi-Family													
Year	Biwabik		Virginia		Eveleth		Aurora		Hoyt Lakes		Gilbert		Total Multi Family
	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	
2017	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0
2018	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0
2019	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0
3-Year Average 2017-2019	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0
Total													
Year	Biwabik		Virginia		Eveleth		Aurora		Hoyt Lakes		Gilbert		Total Permits
	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	
2017	2	25.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	6	75.0%	8
2018	2	33.3%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	4	66.7%	6
2019	2	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	2
3-Year Average 2017-2019	2	37.5%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	3	62.5%	5

Source: U.S. Department of Commerce, C-40 Reports & THK Associates, Inc.

FISCAL IMPACT ANALYSIS

IV. FISCAL IMPACT ANALYSIS

After examining various financial statements provided by the State of Minnesota Departments of Tourism and the IRRR, St. Louis County, Town of White, and City of Biwabik, THK was able to analyze and estimate the actual economic impacts of the Giants Ridge Recreational Area from 2017 to 2019. Direct and indirect impacts are portrayed in the following sections.

The off-site daily expenditures per visitor were estimated from a variety of sources. In previous Economic Impact Analyses prepared for the IRRR, THK relied upon the University of Minnesota Tourism Market Evaluation which is no longer published. In order to provide current estimates, THK reviewed the 2019 Explore Minnesota Tourism and Minnesota's Economy publication. By reviewing this data, THK estimated total expenditure per person for day and overnight trips, then deducted the amount spent on-site (lodging, golf, ski, etc.) and estimated the remained as off-site expenditures that are make in the local communities on a daily basis.

A. GOLF COURSES

The Giants Ridge Recreational Area is home to The Legend and The Quarry Golf Courses. Together, these courses averaged 21,631 rounds each year from 2017-2019 and generated average gross revenues of \$2.1M each year, as highlighted below in Table IV-1. Revenue streams include Tee Fees, Food & Beverage Sales (Beverage Cart), Merchandise Sales, and Range & Rental Fees. All revenue streams are subject to the State Sales Tax (6.875%) and the St. Louis County Transit Tax (0.5%). Revenues from Tee Fees and Range & Rental Fees are subject to the Admissions & Recreation Tax (2.0%), Food and non-alcoholic beverages are subject to the Giants Ridge Food & Beverage Tax (1.0%), and Liquor Sales are subject to the 2.5% Liquor Tax.

Off-site Expenses derived from tourists in the Giants Ridge Area was estimated based on state figures from a publication prepared by the University of Minnesota. They averaged \$23.65 per person per day in 2017, and this grew to \$26.05 per person per day in 2019.

Overall, the revenues produced by the golf courses decreased from 2017 to 2019, largely due to a 2018/2019 severe winter that destroyed the greens on the Quarry and the Legend. Unfortunately, the Quarry wasn't able to recover that season and the appeal wasn't as strong for destination golfers. Now that the issue has been resolved, the golf courses are expected to exceed normal operations in the years to follow. In summary, the total taxes generated by the Golf Courses were roughly \$222,519, \$220,334, and \$119,096 for 2017, 2018, and 2019, respectively, and total operating revenues came out to \$2,531,237, \$2,501,516, and \$1,362,135, respectively.

FISCAL IMPACT ANALYSIS

Table IV-1: Economic Impacts of the Giants Ridge Recreation Area, 2017-2019

The Legend & Quarry Golf Courses	Rate	Actual 2017	Actual 2018	Actual 2019	Annual Average 2017-2019
Number of Rounds		26,522	24,389	13,983	21,631
Avg. Revenue per Round		\$57.54	\$63.13	\$55.95	\$58.87
Total Revenue - Golf Fees		\$1,526,054	\$1,539,636	\$782,370	\$1,282,687
Admissions & Recreation Tax	2.0%	\$30,521	\$30,793	\$15,647	\$25,654
State Sales Tax	6.875%	\$104,916	\$105,850	\$53,788	\$88,185
St. Louis County Transit Tax	0.5%	\$7,630	\$7,698	\$3,912	\$6,413
Total Tax Revenue - Golf Fees		\$143,068	\$144,341	\$73,347	\$120,252
Beverage Cart Sales per Round		\$6.40	\$6.64	\$6.58	\$6.54
Beverage Cart Sales - Food		\$32,701	\$30,476	\$13,956	\$25,711
Beverage Cart Sales - Alcohol		\$136,952	\$131,475	\$77,988	\$115,472
Total Revenue - Beverage Cart Sales		\$169,653	\$161,951	\$91,944	\$141,183
Giants Ridge Food & Bev Tax	1.0%	\$1,697	\$1,620	\$919	\$1,412
State Sales Tax	6.875%	\$11,664	\$11,134	\$6,321	\$9,706
St. Louis County Transit Tax	0.5%	\$848	\$810	\$460	\$706
State Liquor Sales Tax	2.5%	\$3,424	\$3,287	\$1,950	\$2,887
Total Tax Revenue - Beverage Cart		\$17,632	\$16,850	\$9,650	\$14,711
Merchandise & Misc per Round		\$7.48	\$7.69	\$8.40	\$7.86
Total Revenue - Merch & Misc.		\$198,352	\$187,673	\$117,440	\$167,822
State Sales Tax	6.875%	\$13,637	\$12,903	\$8,074	\$11,538
St. Louis County Transit Tax	0.5%	\$992	\$938	\$587	\$839
Total Tax Revenue - Merch & Misc		\$14,628	\$13,841	\$8,661	\$12,377
Total Revenue - Range & Rentals		\$9,933	\$7,409	\$6,124	\$7,822
Admissions & Recreation Tax	2.0%	\$199	\$148	\$122	\$156
State Sales Tax	6.875%	\$683	\$509	\$421	\$538
St. Louis County Transit Tax	0.5%	\$50	\$37	\$31	\$39
Total Tax Revenue - Range & Rentals		\$931	\$695	\$574	\$733
Off-site Expenditures per Round*		\$23.65	\$24.80	\$26.05	\$24.83
Total Expenditures		\$627,245	\$604,847	\$364,257	\$532,117
State Sales Tax	6.875%	\$43,123	\$41,583	\$25,043	\$36,583
St. Louis County Transit Tax	0.5%	\$3,136	\$3,024	\$1,821	\$2,661
Total Tax Revenue - Expenditures		\$46,259	\$44,607	\$26,864	\$39,244
TOTAL TAX REVENUE		\$222,519	\$220,334	\$119,096	\$187,316
TOTAL OPERATING REVENUE		\$2,531,237	\$2,501,516	\$1,362,135	\$2,131,630
TOTAL IMPACT		\$2,753,756	\$2,721,850	\$1,481,232	\$2,318,946

*Based on University of Minnesota Tourism Market Evaluation

Source: State of Minnesota, University of Minnesota, IRRR, & THK Associates, Inc.

B. RECREATION

The Recreation operations are broken down into Summer and Winter Recreation, as well as the type of purchase in order to determine the various taxes charged for each line of revenue. Summer Recreation revenues include Climbing Wall passes, mountain bike passes, disc golf rounds, scenic chairlift tickets, and equipment rentals. Winter Recreation revenues include ski passes, tube passes, ski rentals, and season passes. This section also includes merchandise and miscellaneous revenues associated with summer and winter recreation. All revenue streams are subject to the State Sales Tax (6.875%) and the St. Louis County Transit Tax (0.5%). Revenue from recreation activities (excluding season passes) are also subject to the 2.0% Admissions & Recreation Tax.

Overall, the total number of recreation passes increased each year from 2017 to 2019, along with the operating revenues. The completion of the new ski lifts, mountain bike trails, climbing wall, and other year-round facilities has created a steady increase in the number of summer recreation passes purchased each year, and thus an increase in the total revenues each year. Total tax revenues generated by recreation activities increased from \$219,589 in 2017 to \$327,585 in 2019, and total operating revenues increased from \$2.77-million to \$4.13-million during the same period. Table IV-2 illustrates the recreation finances below.

FISCAL IMPACT ANALYSIS

Table IV-2: Economic Impacts of the Giants Ridge Recreation Area, 2017-2019

Summer & Winter Recreation (less Golf)		Actual 2017	Actual 2018	Actual 2019	Annual Average 2017-2019
Number of Winter Recreation Passes		74,421	82,620	93,828	83,623
Season Pass Sales		\$249,260	\$243,510	\$344,207	\$278,992
All other Winter Recreation Sales		\$734,196	\$1,130,923	\$1,113,168	\$992,762
Total Revenue - Winter Recreation		\$983,456	\$1,374,433	\$1,457,375	\$1,271,755
Admissions & Recreation Tax*	2.0%	\$14,684	\$22,618	\$22,263	\$19,855
State Sales Tax	6.875%	\$67,613	\$94,492	\$100,195	\$87,433
St. Louis County Transit Tax	0.5%	\$4,917	\$6,872	\$7,287	\$6,359
Total Tax Revenue - Winter Recreation		\$87,214	\$123,983	\$129,745	\$113,647
Number of Summer Recreation Passes		3	385	1,702	697
Total Revenue - Summer Recreation		\$568	\$6,097	\$24,782	\$10,482
Admissions & Recreation Tax*	2.0%	\$11	\$122	\$496	\$210
State Sales Tax	6.875%	\$39	\$419	\$1,704	\$721
St. Louis County Transit Tax	0.5%	\$3	\$30	\$124	\$52
Total Tax Revenue - Summer Recreation		\$53	\$572	\$2,323	\$983
Number of Passes - Total		74,424	83,005	95,530	84,320
Avg. Merch & Misc Revenue per Pass		\$0.46	\$2.06	\$1.70	\$1.41
Total Revenue - Merchandise & Misc.		\$34,065	\$170,953	\$162,520	\$122,513
State Sales Tax	6.875%	\$2,342	\$11,753	\$11,173	\$8,423
St. Louis County Transit Tax	0.5%	\$170	\$855	\$813	\$613
Total Tax Revenue - Merch & Misc.		\$2,512	\$12,608	\$11,986	\$9,035
Off-site Expenditures per Visit**		\$23.65	\$24.80	\$26.05	\$24.83
Estimate of Total Off-site Expenditures		\$1,760,128	\$2,058,524	\$2,488,557	\$2,102,403
State Sales Tax	6.875%	\$121,009	\$141,524	\$171,088	\$144,540
St. Louis County Transit Tax	0.5%	\$8,801	\$10,293	\$12,443	\$10,512
Total Tax Revenue - Off-site Expenditures		\$129,809	\$151,816	\$183,531	\$155,052
TOTAL TAX REVENUE		\$219,589	\$288,978	\$327,585	\$278,717
TOTAL OPERATING REVENUES		\$2,778,217	\$3,610,007	\$4,133,234	\$3,507,152
TOTAL IMPACT		\$2,997,805	\$3,898,985	\$4,460,818	\$3,785,870

*Does not apply to season pass sales.

**Based on University of Minnesota Tourism Market Evaluation

Source: State of Minnesota, University of Minnesota, IRRR, & THK Associates, Inc.

FISCAL IMPACT ANALYSIS

C. RESTAURANTS & BANQUETS

The different revenue streams for Restaurants and Banquets are each taxed differently and have been categorized accordingly in Table IV-3 below. Revenue streams include revenue from food and non-alcoholic beverages, revenue from alcohol, and miscellaneous revenue. All three revenue streams are subject to the 1.0% Giants Ridge Food & Beverage Tax, the 6.875% State Sales Tax, and the 0.5% St. Louis County Transit Tax. Alcohol revenues are also subject to a 2.5% Liquor Tax.

Overall, the revenues for restaurants and banquets, more or less, followed the same pattern as golf revenues, likely due to the fact that restaurants are located within each golf course.

Table IV-3: Economic Impacts of the Giants Ridge Recreation Area, 2017-2019

Banquets & Restaurants*	Rate	Actual 2017	Actual 2018	Actual 2019	Annual Average 2017-2019
# of Events		12,484	8,787	4,556	8,609
Revenue - Food		\$172,177	\$214,986	\$166,237	\$184,467
Revenue - Alcohol		\$41,969	\$89,885	\$59,548	\$63,801
Revenue - Misc. Banquet		\$12,962	\$34,201	\$33,572	\$26,912
Total Revenue - Banquets		\$227,108	\$339,072	\$259,357	\$275,179
Giants Ridge Food & Bev Tax	1.0%	\$2,271	\$3,391	\$2,594	\$2,752
State Sales Tax	6.875%	\$15,614	\$23,311	\$17,831	\$18,919
St. Louis County Transit Tax	0.5%	\$1,136	\$1,695	\$1,297	\$1,376
State Liquor Sales Tax	2.5%	\$1,049	\$2,247	\$1,489	\$1,595
Total Tax Revenue - Banquets		\$20,070	\$30,644	\$23,210	\$24,641
Revenue - Food		\$731,457	\$736,720	\$630,355	\$699,511
Revenue - Alcohol		\$277,355	\$264,475	\$215,902	\$252,577
Revenue - Misc. Restaurants		\$14,997	\$882	\$431	\$5,437
Total Revenue - Restaurants		\$1,023,809	\$1,002,077	\$846,688	\$957,525
Giants Ridge Food & Bev Tax	1.0%	\$10,238	\$10,021	\$8,467	\$9,575
State Sales Tax	6.875%	\$70,387	\$68,893	\$58,210	\$65,830
St. Louis County Transit Tax	0.5%	\$5,119	\$5,010	\$4,233	\$4,788
State Liquor Sales Tax	2.5%	\$6,934	\$6,612	\$5,398	\$6,314
Total Tax Revenue - Restaurants		\$92,678	\$90,536	\$76,308	\$86,507
TOTAL TAX REVENUE		\$112,747	\$121,180	\$99,518	\$111,148
TOTAL OPERATING REVENUES		\$1,250,917	\$1,341,149	\$1,106,045	\$1,232,704
TOTAL IMPACT		\$1,363,664	\$1,462,329	\$1,205,563	\$1,343,852

*Does not include beverage cart sales.

Source: IRRR & THK Associates, Inc.

FISCAL IMPACT ANALYSIS

D. ON-SITE LODGING

Together, The Lodge, The Villas, and the Green Gate Guest Houses provide 123 on-site lodging units in the Giants Ridge Recreational Area. The Average Annual Occupancy is estimated at 45.5% for 2017 based on blended conditions at Giants Ridge and the other 1,325 off-site lodging units in the area, grows by 0.5% to 46% in 2018, then decreases again back to 45.0% in 2019. The Average Daily Rate was estimated at \$290.11 for 2017 based on 2020 rental listing prices that were deflated each prior year at a rate of -2.5%, and grows to \$305.18 in 2019. These and other metrics are highlighted in Table IV-4 below.

Table IV-4: Economic Impacts of the Giants Ridge Recreation Area, 2017-2019

On-Site Lodging The Lodge, The Villas, & Green Gate		Actual 2017	Actual 2018	Actual 2019	Annual Average 2017-2019
Total Number of Units		123	123	123	123
Blended ADR*		\$290.11	\$297.55	\$305.18	\$297.61
Avg. Annual Occupancy		45.50%	46.00%	45.00%	45.50%
Total Revenue - Accommodations		\$5,926,081	\$6,144,823	\$6,165,374	\$6,078,759
Giants Ridge Area Lodging Tax	2.0%	\$118,522	\$122,896	\$123,307	\$121,575
State Sales Tax	6.875%	\$407,418	\$422,457	\$423,869	\$417,915
St. Louis County Transit Tax	0.5%	\$29,630	\$30,724	\$30,827	\$30,394
Total Tax Revenue - Accommodations		\$555,570	\$576,077	\$578,004	\$569,884
Estimated Number of Guests		36,769	37,173	36,365	36,769
Off-Site Expenditures per Guest**		\$23.65	\$24.80	\$26.05	\$24.83
Total Revenue - Off-Site Expenditures		\$869,587	\$921,892	\$947,307	\$912,929
State Sales Tax	6.875%	\$59,784	\$63,380	\$65,127	\$62,764
St. Louis County Transit Tax	0.5%	\$4,348	\$4,609	\$4,737	\$4,565
Total Tax Revenue - Off-Site Expenditures		\$64,132	\$67,990	\$69,864	\$67,328
Property Taxes Collected					
The Lodge		\$74,488	\$81,165	\$67,012	\$74,222
The Villas		\$34,697	\$33,453	\$35,798	\$34,649
Green Gate		\$2,628	\$2,656	\$5,316	\$3,533
Total Property Taxes Collected		\$111,813	\$117,274	\$108,126	\$112,405
TOTAL TAX REVENUE		\$731,515	\$761,341	\$755,994	\$749,617
TOTAL OPERATING REVENUES		\$6,795,668	\$7,066,715	\$7,112,681	\$6,991,688
TOTAL IMPACT		\$7,527,183	\$7,828,056	\$7,868,675	\$7,741,305

*Based on 2020 rates and deflated at -2.5% annually

**Based on State of Minnesota Tourism Market Evaluation

Source: City of Biwabik, Individual Lodging Websites, & THK Associates, Inc.

FISCAL IMPACT ANALYSIS

E. OFF-SITE LODGING

Table IV-5 illustrates the estimated impacts of off-site lodging found near the Giants Ridge Recreational Area. The total number of units and blended ADR are based on a 2020 inventory of indoor lodging facilities found in St. Louis and Itasca Counties (prices deflated at -2.5% each prior year). An overall assumption of 20% of all off-site lodging revenues is related to Giants Ridge. The estimated number of guests is calculated by taking 20% of the total number of rooms rented each year at the average annual occupancy rate and multiplying it by the assumed average of 1.8 guests per room.

Table IV-5: Economic Impacts of the Giants Ridge Recreation Area, 2017-2019

Off-Site Lodging		Actual 2017	Actual 2018	Actual 2019	Annual Average 2017-2019
Total Number of Units/Rooms		1,325	1,325	1,325	1,325
Blended ADR*		\$187.23	\$192.03	\$196.95	\$192.07
Avg. Annual Occupancy		45.5%	46.0%	45.0%	45.5%
Percent Related to Giants Ridge		20.0%	20.0%	20.0%	20.0%
Total Revenue - Accommodations		\$8,239,775	\$8,543,920	\$8,572,495	\$8,452,063
State Sales Tax	6.875%	\$566,485	\$587,394	\$589,359	\$581,079
St. Louis County Transit Tax	0.5%	\$41,199	\$42,720	\$42,862	\$42,260
Lodging Tax Rate (up to 3% can be used)	3.0%	\$247,193	\$256,318	\$257,175	\$253,562
Total Tax Revenue - Accommodations		\$854,877	\$886,432	\$889,396	\$876,902
Estimated Number of Guests		79,218	80,088	78,347	79,218
Off-Site Expenditures per Guest**		\$23.65	\$24.80	\$26.05	\$24.83
Total Revenue - Off-Site Expenditures		\$1,873,500	\$1,986,190	\$2,040,946	\$1,966,879
State Sales Tax	6.875%	\$128,803	\$136,551	\$140,315	\$135,223
St. Louis County Transit Tax	0.5%	\$9,368	\$9,931	\$10,205	\$9,834
Tax Revenue - Off-Site Expenditures		\$138,171	\$146,482	\$150,520	\$145,057
TOTAL TAX REVENUE		\$993,047	\$1,032,913	\$1,039,916	\$1,021,959
TOTAL OPERATING REVENUES		\$10,113,275	\$10,530,110	\$10,613,441	\$10,418,942
TOTAL IMPACT		\$11,106,323	\$11,563,023	\$11,653,357	\$11,440,901

*Based on 2020 rates, deflated at -2.5% annually.

**Based on State of Minnesota Tourism Market Evaluation

Source: Explore Minnesota Tourism, & THK Associates, Inc.

FISCAL IMPACT ANALYSIS

F. VOYAGEUR'S RETREAT

Voyagers Retreat has a total of 240 lots. To date, 47 homes have been built. The National Association of Home Builders estimates that for each new home that is built, there is an estimated 3.5 full time jobs created with average wages of \$22.55-23.69 per hour. However, there weren't any new homes built during 2017-2019 and there are no wages to report.

Virtually all of the homes in Voyagers Retreat will be seasonal homes. Occupancy is estimated at 25% annually with 2.0 persons per unit. The average person spent \$23.65 per day off-site in 2017, revenues which are subject to a 6.875% State sales tax and a 0.5% St. Louis County transit tax. This average increased to \$26.05 per person per day in 2019. Details are provided below in Table IV-6.

Table IV-6: Economic Impacts of the Giants Ridge Recreation Area, 2017-2019

Voyaguer's Retreat	Actual 2017	Actual 2018	Actual 2019	Annual Average 2017-2019
Total Lots	240	240	240	240
Total Homes	47	47	47	47
Total Property Tax Collected	\$293,123	\$270,321	\$312,113	\$291,852
Annual Construction Jobs	0	0	0	0
Construction Hours	0	0	0	0
Avg. Wages per Hour	\$22.55	\$23.11	\$23.69	\$23.12
Total Construction Wages	\$0	\$0	\$0	\$0
Avg. Annual Occupancy	25%	25%	25%	25%
Occupied Units	11	11	11	11
Avg. Persons per Unit	2	2	2	2
Avg. Daily Rate (ADR)*	\$234.26	\$240.27	\$246.43	\$240.32
Total Revenue - Unit Rentals	\$940,559	\$964,675	\$989,411	\$964,882
State Sales Tax 6.875%	\$64,663	\$66,321	\$68,022	\$66,336
St. Louis County Transit Tax 0.5%	\$4,703	\$4,823	\$4,947	\$4,824
Total Tax Revenue - On-Site Expenditures	\$69,366	\$71,145	\$72,969	\$71,160
Off-Site Expenditures per Person**	\$23.65	\$24.80	\$26.05	\$24.83
Total Revenue - Off-Site Expenditures	\$189,910	\$199,144	\$209,182	\$199,412
State Sales Tax 6.875%	\$13,056	\$13,691	\$14,381	\$13,710
St. Louis County Transit Tax 0.5%	\$950	\$996	\$1,046	\$997
Total Tax Revenue - Off-Site Expenditures	\$14,006	\$14,687	\$15,427	\$14,707
TOTAL TAX REVENUE	\$376,495	\$356,152	\$400,510	\$377,719
TOTAL OPERATING REVENUES	\$1,130,468	\$1,163,819	\$1,198,592	\$1,164,293
TOTAL WAGES	\$0	\$0	\$0	\$0
TOTAL IMPACT	\$1,506,963	\$1,519,972	\$1,599,102	\$1,542,012

*based on 2020 rental rates.

**Based on State of Minnesota Tourism Market Evaluation

Source: Biwabik Rental Listings & THK Associates, Inc.

FISCAL IMPACT ANALYSIS

G. EMPLOYMENT

Employment both in the Giants Ridge Recreational Area and its surrounding communities are directly impacted by the tourism and recreational elements of the Giants Ridge Area, as illustrated in Table IV-7 below. Currently the number of jobs and wages required for operating the private lodging facilities, in addition to wages and jobs associated with the golf courses, private facilities, and residential properties, were approximately 99 full-time jobs and an average total of 162 employees with total wages of \$3,630,793 in 2017. Employment increased to 133 full-time employees, 179 total employees, and \$3,776,477 in wages in 2019.

In addition to wages within the Giants Ridge Area itself, additional wages were generated for businesses in the surrounding areas, as well as businesses serving the Giants Ridge and IRRR. Capital Improvements in the Giants Ridge Recreation Area were estimated to have generated \$469,040 in wages in 2017, and off-site lodging was estimated at over \$2.44-million in wages the same year. Wages from Capital Improvements ceased after 2018, and off-site lodging wages increased to about \$2.56-million in 2019.

Table IV-7: Economic Impacts of the Giants Ridge Recreation Area, 2017-2019

Employment & Wages	Actual 2017	Actual 2018	Actual 2019	Annual Average 2017-2019
Giants Ridge/IRRR				
Number of Full-Time Employees	99	112	133	115
Avg. Total Number of Employees	162	128	179	156
Total Payroll - Giants Ridge/IRRR	\$3,630,793	\$3,630,210	\$3,776,477	\$3,679,160
Employment Outside of Giants Ridge				
Total Construction Wages - CapEx	\$469,040	\$240,383	\$0	\$236,474
Total Off-Site Lodging Wages*	\$2,443,123	\$2,504,201	\$2,566,806	\$2,504,710
TOTAL IMPACT	\$6,542,956	\$6,374,794	\$6,343,283	\$6,420,345

*Estimates based on 2016 study.

Source: IRRR & THK Associates, Inc.

FISCAL IMPACT ANALYSIS

H. CAPITAL IMPROVEMENTS

As previously discussed, several capital improvements were made in the Giants Ridge Recreation Area between 2016 and 2019. Table IV-8 below highlights the expenses for these improvements each year. For the purposes of estimating the amount of taxes received for the capital expenditures, THK assumes 85% of the expenses are subject to taxation. In addition, the wages for the construction of capital improvements were estimated each year under the assumption that 10 construction jobs were created in 2017 at an average hourly rate of \$22.55, decreasing to 5 jobs in 2018 at an average hourly rate of \$23.11. Construction ceased in 2018, so 2019 does not have an estimate of wages.

Table IV-8: Economic Impacts of the Giants Ridge Recreation Area, 2017-2019

Capital Improvements		Actual 2017	Actual 2018	Actual 2019	Annual Average 2017-2019
Annual Capital Expenses		\$2,349,391	\$15,586	\$338,535	\$901,171
Amount Subject to Tax	85.0%	\$1,996,982	\$13,248	\$287,755	\$765,995
State Sales Tax	6.875%	\$137,293	\$911	\$19,783	\$52,662
St. Louis County Transit Tax	0.5%	\$9,985	\$66	\$1,439	\$3,830
Total Tax Revenue - CapEx		\$147,277	\$977	\$21,222	\$56,492
Annual Construction Jobs		10	5	0	5
Total Construction Hours		20,800	10,400	0	10,400
Avg. Wages per Hour		\$22.55	\$23.11	\$23.69	\$23.12
Total Construction Wages		\$469,040	\$240,383	\$0	\$236,474
TOTAL TAX REVENUE		\$147,277	\$977	\$21,222	\$56,492
TOTAL CAPEX		\$2,349,391	\$15,586	\$338,535	\$901,171
TOTAL WAGES		\$469,040	\$240,383	\$0	\$236,474
TOTAL IMPACT		\$2,965,708	\$256,946	\$359,757	\$1,194,137

Source: IRRR & THK Associates, Inc.

FISCAL IMPACT ANALYSIS

I. TAXES GENERATED

Table IV-9 highlights the individual taxes accrued for the entire economic impact from 2017 to 2019. Each of the associated tax rates were provided by the Minnesota Department of Revenue Tax Handbook.

Table IV-9: Tax Impacts of the Giants Ridge Recreation Area, 2017-2019

	Rate	Actual 2017	Actual 2018	Actual 2019	Annual Average 2017-2019
Giants Ridge Admissions & Recreation Tax	2.0%	\$45,415	\$53,681	\$38,529	\$45,875
Giants Ridge Food & Beverage Tax	1.0%	\$14,206	\$15,031	\$11,980	\$13,739
Giants Ridge Lodging Tax	2.0%	\$118,522	\$122,896	\$123,307	\$121,575
Other Lodging Tax	3.0%	\$247,193	\$256,318	\$257,175	\$253,562
State Sales Taxes	6.875%	\$1,828,528	\$1,803,076	\$1,774,704	\$1,802,103
State Liquor Sales Tax	2.5%	\$11,407	\$12,146	\$8,836	\$10,796
St. Louis County Transit Tax	0.5%	\$132,984	\$131,133	\$129,069	\$131,062
Property Tax	Various	\$404,936	\$387,595	\$420,240	\$404,257
TOTAL TAXES		\$2,803,190	\$2,781,876	\$2,763,841	\$2,782,969

Source: State of Minnesota Dept. of Revenue, & THK Associates, Inc.

FISCAL IMPACT ANALYSIS

J. SUMMARY OF IMPACTS

In summary, the Giants Ridge Recreation Area had a significant impact on the economy. Table IV-10 below highlights the totals for each year by category. The total annual impact increased from \$54.3-million in 2017 to \$55.4-million in 2019. The cumulative impact for all three years was roughly \$166.2-million.

Table IV-10: Economic Impacts of the Giants Ridge Recreation Area, 2017-2019

	Actual 2017	Actual 2018	Actual 2019	Annual Average 2017-2019
Total Operating Revenues	\$24,599,782	\$26,213,316	\$25,526,128	\$25,446,409
Total Wages	\$6,542,956	\$6,374,794	\$6,343,283	\$6,420,345
Total Taxes	\$2,803,190	\$2,781,876	\$2,763,841	\$2,782,969
TOTAL DIRECT IMPACT	\$33,945,928	\$35,369,987	\$34,633,252	\$34,649,723
Multiplier	1.60	1.60	1.60	1.60
TOTAL ANNUAL IMPACTS	\$54,313,486	\$56,591,979	\$55,413,203	\$55,439,556
2017-2019 Cumulative Impacts	\$166,318,668			

Source: THK Associates, Inc.

END OF REPORT

PREPARED BY:



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