



WAYNE BUSINESS ASSOCIATION

A \$281 Million Economic Engine

Quantifying the Importance of the Wayne Business Overlay District (WBOD) to Radnor Township's Economy and Fiscal Health

Downtown retail districts are critically important for suburban municipalities. They are vibrant hubs that provide cherished gathering places for local residents and draw in considerable spending from non-residents. This spending supports local jobs and strengthens the local tax base.

The economic benefits of spending at restaurants and boutiques extend beyond those industries and support other sectors in the Township. In order to ensure that the WBOD continues to be an economic driver, it is critical that it remains a local and regional destination. By using business tax dollars to maintain and improve the WBOD, the Township can ensure that the WBOD continues to be an economic engine. Investing business tax dollars on improvements including street and treescaping, planters, improved lighting, parking lot and street repaving, as well as consistent upkeep of the area through regular street cleaning and trash removal, the Radnor Township can protect the WBOD – and its influential impact on the Township.^{1,2,3,6}

The Wayne Business Overlay District

The WBOD is an economic engine for the Radnor Township, driving significant economic activity. WBOD businesses also generate major tax revenues for the Township at a time when fiscal challenges are forcing difficult decisions about tax increases and service reductions. Continued investments in the WBOD therefore represent an important path to continued economic vitality and fiscal sustainability for the Township.



The WBOD Represents a Significant Amount of Business Activity within the Township^{1,3,4}

AREA



<1%

#EMPLOYEES



5%

2017 SALES



8%

RETAIL BUSINESSES



34%

RESTAURANTS



42%



The Economic Impact of the WBOD

In 2017, merchants within the WBOD had more than a quarter-billion dollars in sales. This economic activity supports local employment. An estimated 6.2% of WBOD employees are also tax-paying residents of the Township. In addition, an estimated 6.0% of goods and services procured by WBOD merchants were purchased from other vendors within the Township, further supporting local jobs and generating additional tax revenue.¹

In total, the annual economic impact of WBOD merchants on the Township's economy is \$281 million, supporting almost 1,200 jobs. The WBOD directly or indirectly supports more than 1 in 20 jobs in Radnor Township.^{1,2,6}

ECONOMIC IMPACT^{2,6}


\$281M

EMPLOYMENT


1,180

EARNINGS¹


\$58M

Economic and Fiscal Impact Methodologies

The Wayne Business Association (WBA) hired leading economics consulting firm Econsult Solutions, Inc. (ESI) to conduct an economic and fiscal analysis of businesses within the WBOD. Information specific to the businesses located within the WBOD was provided to ESI by the Radnor Township. In addition to the total number of operating businesses and employees, taxable sales and tax collections from 2011 to 2017 were used in the analysis. In order to calculate the economic impact, taxable sales from 2011 and 2017 were categorized by the WBA into three general categories: restaurant, retail, and services. The aggregate annual sales in each category was customized to account for the actual employment figures and then modeled by ESI using IMPLAN, an industry-standard input-output modeling system. The resulting output for Delaware County was then shared down to Radnor Township using Longitudinal Employer-Household Dynamics data provided by the US Census. In order to calculate the fiscal impact, tax collections reported by the WBOD businesses were combined with the ESI-estimated taxes from the indirect and induced impacts from the economic impact calculation. These figures for 2011 to 2017 were then compared to analyze growth over time and compared to Radnor Township's entire tax base to estimate the portion supported by the WBOD.

A Truly Regional Destination

The WBOD is a desirable amenity not just for locals but is a favored award-winning destination throughout the region. Its destination status brings dollars into the Township, supporting local employment and building the local tax base.

Teresa's Next Door

Best Whiskey Bar in Philadelphia
Philadelphia Magazine, 2017

Coollest Suburb

in Greater Philadelphia
Thrillist, 2016

10/20 Best Shops

on the Main Line
Philadelphia Magazine, 2015

Wayne Music Festival

Best Festival in
Greater Philadelphia

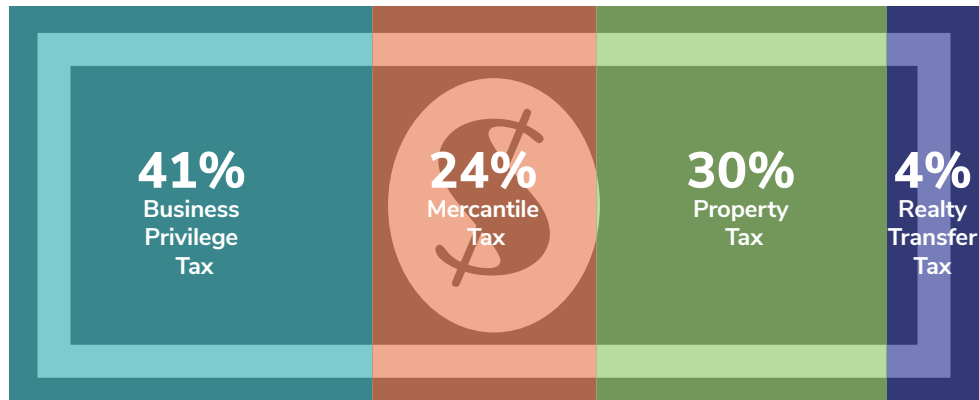


The Growth of the WBOD Strengthens the Radnor Township Tax Base

The economic activity of the WBOD translates into considerable tax revenues for the Township, an estimated \$1.2 million in 2017. The WBOD plays an important role in the Township's fiscal health. Merchant activity and commensurate tax revenue generation have increased significantly over the past several years, at a time when the Township's operating revenues have declined.^{1,3}

Taxes Generated from WBOD Businesses (2017)

\$1.2 Million per Year



The WBOD is Growing at a Faster Rate than Radnor Township's Operating Budget in 2017 compared to 2011⁵

RADNOR TWP EXPENDITURES



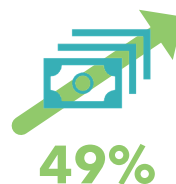
#EMPLOYEES



#MERCHANTS



AGGREGATE SALES



**TAXES FROM WBOD
BPT + Mercantile**





An Economically Robust Merchant Community Equals a Fiscally Healthy Township

Soaring pension and health costs for municipal and school district employees are creating fiscal challenges for even affluent jurisdictions. Expenditures are growing at a faster rate than tax bases, necessitating difficult choices about increased tax rates and/or reducing services. Townships in this situation are torn between holding the line on property tax rate increases or risking erosion in the quality of their municipal services and school district. A more diversified tax base can mitigate this problem. The more a jurisdiction's commercial sector can produce tax revenues, the fewer burdens there are on residents and residential property taxes. The growth and strength of the WBOD improves the fiscal health of Radnor Township.

WBOD is outpacing the rest of Radnor. Between 2011 and 2017, Radnor Township's expenditures grew by 35% (an increase of \$2.8M / year) while BPT + Mercantile taxes paid by WBOD merchants grew by 61% (an increase of \$311K / year). WBOD is an increasingly important part of the Township's tax base. Absent of the strong performance by the WBOD, the Township would be in an even more difficult fiscal position. Looking ahead, the Township's fiscal prospects will be considerably stronger if the WBOD can continue to be a large and growing part of the Township's tax base. A more diversified tax base enables the Township to hold the line on taxes. Through its regional-destination restaurants and boutiques, the WBOD attracts outside spending. This spending creates tax revenue for the Township and reduces the overall tax burden on Radnor residents. By investing in improvements in maintenance of the WBOD, the Radnor Township can ensure that the WBOD remains an economic engine for the Township.

Data Sources

- 1) BPT and Mercantile taxable sales and annual tax collections for all WBOD businesses (2011 to 2017), Provided by Radnor Township
- 2) Number of businesses and employees within the WBOD (2013 to 2017), Provided by Radnor Township
- 3) Real Estate Transfer and Property tax collections for all WBOD businesses (2012 to 2018), Provided by Radnor Township
- 4) US Census Longitudinal Employer-Household Dynamics (2015)
- 5) Radnor Township Budget (2008 to 2018)
- 6) MIG IMPLAN Pro (2015)

