



Executive Summary

CLEVELAND CLINIC LERNERS RESEARCH INSTITUTE

PROJECT SCOPE

New Business

TARGETED INDUSTRY

Life Sciences

NEW JOB CREATION

New: 150

EXISTING FACILITY

92,142 Square Feet

Prepared by

ECONOMIC DEVELOPMENT COUNCIL OF ST. LUCIE COUNTY, INC.

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PROJECT LEARN

Economic Impact on St. Lucie County Economy

Prepared by the Economic Development Council of St. Lucie County

Cleveland Clinic Lerner's Research Institute is seeking to acquire the Florida Center for Bio-Sciences facility and establish a world class research institute in partnership with Vaxine Inc. The project is anticipated to create 150 new jobs at an average wage of \$47,658 (125% of St. Lucie County's average wage).

I - ANNUAL RECURRING ECONOMIC IMPACT FROM NEW JOB CREATION

Cleveland Clinic Lerner's Research Institute will create **150 new jobs** and will have an ongoing annual economic impact in the local economy of **\$44.2M** in annual output (sales). The project will create a total of **150 direct**, **97 indirect** and **46 induced** recurring jobs and a total recurring annual labor income of **\$13.3 million**.

Annual Recurring Economic Impact - New Job Creation

| | Output (Sales) | Labor Income (Payroll) | Employment |
|-------------------|-------------------|---------------------------|------------|
| - Direct Effect | \$27.6M | \$8.3M | 150 |
| - Indirect Effect | \$10.8M | \$3.5M | 97 |
| - Induced Effect | \$5.7M | \$1.5M | 46 |
| Total | \$44.1M | \$13.3M | 293 |

* M=Millions K=Thousands

II - ANNUAL RECURRING ECONOMIC IMPACT IN LABOR INCOME (TOP TEN INDUSTRIES)

Annual Recurring Economic Impact - Top Ten Industries by Labor Income

| Sector | Description | Employee Comp. |
|--------|---|----------------|
| 456 | Scientific research and development | \$12.1M |
| 454 | Management consulting services | \$8.4M |
| 447 | Legal services | \$318K |
| 449 | Architectural and engineering | \$283K |
| 460 | Marketing research | \$234K |
| 440 | Real Estate | \$171K |
| 475 | Office of Physicians | \$166K |
| 448 | Accounting, tax preparation, bookkeeping, payroll | \$154K |
| 482 | Hospitals | \$119K |
| 433 | Monetary Authorities | \$116K |

* M=Millions K=Thousands

Glossary of Terms

Direct effects: changes in the targeted businesses for which a final demand change was provided. Direct effects refer to jobs and sales of the targeted company.

Indirect effects: changes in inter-company purchases as they respond to the new demands of the directly affected sectors of St. Lucie County. Indirect effects are generated from sales among other firms in St. Lucie County as a result of the targeted company's new presence or expansion. These sales directly benefit vendors and suppliers of the company.

Induced effects: changes in spending from households as income increases or decreases due to changes in production. Induced effects are additional spending in local businesses of various sectors from payroll generated from benefitting companies. These sales directly benefit existing small businesses in the community.

Multiplier Effects: Economic impact does not end with direct hiring by a targeted company. Each direct job from a target business creates additional jobs throughout the community as dollars from the increased sales and payroll make their way through the local economy. The IMPLAN© model is based on annually updated input-output information specific to the area. Its method is usually referred to as multiplier analysis or "the multiplier effect". A dollar increase in final demand implies increased demand for inputs to produce the required output. This increase demand and income triggers further demand and income increases.

About IMPLAN© and Impact Analysis IMPLAN©

Created by the University of Minnesota, is software that allows the user to estimate the economic impact of different actions. The model is based on input-output information specific to the area and its basic driver is changes in final demand. Its method is usually referred to as multiplier analysis. A dollar increase in final demand implies increased demand for inputs to produce the required output. A dollar increase in final demand also implies increased income for labor. This increased demand and income triggers further demand and income increases. Every round is a fraction of the previous. In the limit, the original dollar will have generated more than a dollar of economic activity. IMPLAN© is one of the most widely used tools for this sort of evaluation. Data comes from the Bureau of Labor Statistics and other federal agencies and is tailored to the local geography, in our case St. Lucie County, not a statewide measurement. IMPLAN© allows the St. Lucie Economic Development Council to evaluate benefits to existing small businesses – both one-time and recurring stimulus impact through new sales that support additional jobs.