

756 North Milwaukee Street, Milwaukee, WI 53202



Metropolitan
Milwaukee
Association of
Commerce

Council of Small Business Executives

NEWS RELEASE
FOR IMMEDIATE RELEASE

For more information, contact
Bret Mayborne @ 414.287.4122

May 17, 2005

PabstCity Development Would Generate \$65.8 million in Construction, Ongoing and Tax Economic Impacts

Study Provides Details and Dollars Associated with Mixed-Use Complex

Milwaukee, WI – The proposed PabstCity Complex — a 24-acre entertainment, retail, residential and office project on downtown's northwest corner — would generate significant one-time and ongoing economic impacts for the Milwaukee region, according to a new study released today by the Metropolitan Milwaukee Association of Commerce (MMAC).

“The study is broken down into one-time construction impacts and ongoing impacts driven by spending activity at PabstCity,” explained Bret Mayborne, MMAC’s economic research director.

Construction Impacts

Using metro area multipliers supplied by the U.S. Bureau of Economic Analysis (BEA), construction of PabstCity – accounting for both direct and indirect impacts – would support 2,946 jobs and generate \$111.6 million in worker earnings.

Ongoing impacts are broken down into on-site spending at the development itself and visitor spending in the metro area directly related to Pabst City.

On-site Spending

On-site retail and food service spending in PabstCity is estimated to directly support 1,100 jobs. Applying BEA multipliers to these corresponding estimates generate total impacts (direct and indirect) of 988 retail jobs and 584 food service jobs. Thus, on-site spending would support a total of 1,572 jobs (retail and food service combined) and generate \$33,107,831 in worker earnings annually.

Visitor Spending

PabstCity is estimated to generate 2 million visitations annually. Of these, 30%, or 600,000 visitations are expected to be from outside metro Milwaukee. Based on Wisconsin Department of Tourism research, 58% of these visits (348,000) are assumed to be overnight stay visits, while 42% (252,000) are day-trips. Accounting for average food, service and lodging expenditures, total off-site spending by visitors to PabstCity would support an estimated 1,078 jobs and \$21,603,634 in annual earnings, both directly and indirectly.

Taken as a whole, the development (retail and food service only) would directly support 1,854 jobs and generate \$30.6 million annually in worker earnings. As these dollars are spent and re-spent the total impact (direct and indirect) multiplies to 2,650 jobs supported with worker earnings totaling \$54.7 million per year.

Tax Impacts

Figures from the U.S. Census Bureau indicate that state and local tax revenue, as a percentage of personal income, equals 11.7% in Wisconsin. Applying this figure to the total estimated worker earnings figure (\$54.7 million), suggests that state and local tax revenue generated, both directly and indirectly, would total \$6.4 million per year. The current site generates approximately \$250,000 per year in property taxes. Once completed and fully leased, PabstCity is expected to generate approximately \$4.0 million per year in property taxes.

The PabstCity development would be a combination of renovated buildings from the former Pabst Brewery and new construction. Anchor attractions proposed for the development include a 16-screen cinema, a 40,000-square-foot GameWorks entertainment center and a 45,000-square-foot House of Blues nightclub. Construction could begin this fall, and PabstCity would open by summer 2007.

For a copy of the study: Economic Impact of PabstCity, please contact Bret Mayborne, bmayborne@mmac.org or 414.287.4122.

- END -