

AN ANALYSIS OF THE INCREASED
ECONOMIC CONTRIBUTIONS OF
THE GREENBRIER
1999

BY

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OVERVIEW

For 222 years visitors have traveled to White Sulphur Springs, West Virginia, to partake of the springs at the various resorts that flourished in the area. Since 1910 The Greenbrier has operated in White Sulphur Springs under the ownership of the C&O Railroad, now CSX. This resort provides world-class service and amenities to a high-level clientele from around the world. Many visitors get their first glimpse of West Virginia through The Greenbrier and return year after year. The historic main portion of the resort is listed on the National Register of Historic Places and the resort is a member of the Historic Hotels of America, a program of the National Trust for Historic Preservation.

The Greenbrier has a host of world-class amenities to attract visitors ranging from 54 holes of golf to a comprehensive spa. Other amenities include tennis, horseback riding, croquet, white water rafting, falconry, Sam Snead Golf Academy, Land Rover School, among others. The Greenbrier offers a Modified American Plan for visitors, which includes breakfast and dinner.

Due to the seasonal nature of The Greenbrier's clientele, occupancy rates during the off-season are less than ideal. To mitigate this situation, The Greenbrier management has recommended the implementation of a gaming facility for resort guests to increase occupancy rates in the off-season

This report provides a brief overview of the Greenbrier County economy and documents the economic contributions The Greenbrier makes to the Greenbrier County and West Virginia economies. This report also quantifies the incremental economic contributions to both Greenbrier County and West Virginia economies with the addition of the gaming facility. The additional number of guest nights represents a significant increase in occupancy rates and revenues resulting in an expansion of the economic contribution of the resort. The direct, indirect and induced, and total economic impacts of the gaming facility and additional guest nights are also estimated.

The information and data used for this report are from several sources: public records maintained by the state and federal governments, The Greenbrier's 1999 operating data and a 1996 Arthur Andersen LLP report titled, *Incremental Impacts on The Greenbrier Resort Resulting from a Proposed Casino Operation*. In addition, the IMPLAN input-output model was used to quantify the indirect and induced economic impacts. Specific economic models are estimated and used to quantify the economic contributions the resort makes to these regional economies. Among the economic impacts estimated are employment, employee compensation, output, and assorted state taxes.

Finally, this report is an update and expansion of a similar analysis performed using data from calendar 1998. It is important to note that the fundamental approach and methodology used in that analysis remains unchanged. Both reports were performed under contract between the West University Research Corporation and The Greenbrier.

THE GREENBRIER COUNTY ECONOMY

The Greenbrier County economy has undergone many changes during the last twenty years, much like the economy of the state and, in some ways, like the economy of the nation. Nevertheless, Greenbrier County continues to lag the state and the nation in terms of unemployment. For instance in 1999, the average unemployment rate in Greenbrier County was more than double the national average.

Greenbrier County has seen the decline of the more traditional mining and manufacturing jobs and the increase of the service producing sectors. In 1999 manufacturing employment in Greenbrier County accounted for less than 9 percent of the jobs in the county, down from 14.5 percent in 1980. As Table 1 shows, manufacturing employment has fallen by more than 30 percent since 1990. Mining has also declined significantly, decreasing by more than 52 percent from 1990 to 1999.

The county has shown overall job growth despite the losses in mining and manufacturing. Strong job growth in services and trade have accounted for most of the job gains in Greenbrier County. Service jobs and trade jobs have increased by more than 1,800 from 1990 to 1999.

Table 1
Employment by Industry
Greenbrier County Economy: 1980, 1990, & 1999

Industry	1980	1990	1999	Percent Change 1990-1999
Mining	*520	400	190	-52.5%
Construction	530	340	410	20.6%
Manufacturing	1,590	1,620	1,130	-30.2%
Transportation, Communications, and Public Utilities	600	580	540	-6.9%
Trade (Wholesale and Retail)	2,420	2,710	3,180	17.3%
Finance, Insurance, and Real Estate	*310	360	310	-13.9%
Services	2,800	3,780	5,130	35.7%
Government	2,220	2,080	2,290	10.1%
Total	10,980	11,860	13,180	11.1%

* Estimated by Bureau of Business and Economic Research.

Source: Nonfarm Payroll Employment 1980 – 1999, West Virginia Bureau of Employment Programs

In comparison to the national average Greenbrier County had 37 percent less growth in jobs during the period 1990-1999. The strong Greenbrier County job growth from the service sector, 1,350 jobs since 1990, can be very seasonal. Figure 1 shows the average number of Greenbrier County residents with a job by month from 1980 to 1999. On average, over 1,000 fewer residents of Greenbrier County have a job in January and February than in June.

This strong seasonal pattern also shows up at the unemployment line. Figure 2 shows the unemployment rate by month for 1999 and for the average months from 1980 to 1999. The Greenbrier County unemployment rate for the month of January has averaged 18.3 percent for the last twenty years. This unemployment rate has fallen to half of the January rate by August, but inevitably rises again to over 18 percent by the following January. Seasonal patterns such as this can be devastating to a county economy through the discouragement of investment as well as the reduced income of residents. Lack of full-time year-round work can cause employees to look elsewhere for employment, especially during a tight labor market.

One economic development strategy is to build upon the strongest parts of the regional economy; in this case the future development of The Greenbrier can not only add additional year-round employment and higher incomes, but can significantly reduce the seasonal swings in employment and unemployment within Greenbrier County. The remainder of this report examines The Greenbrier and the economic impacts that would be realized with the addition of a gaming facility at The Greenbrier.

Figure 1
Average Number of Employed Residents: 1980-1999
Greenbrier County Economy

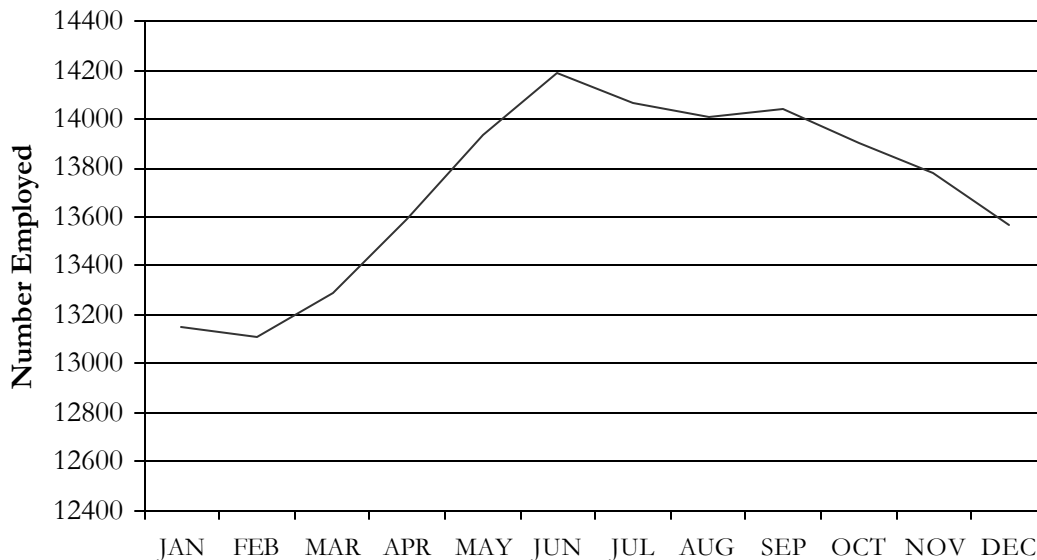
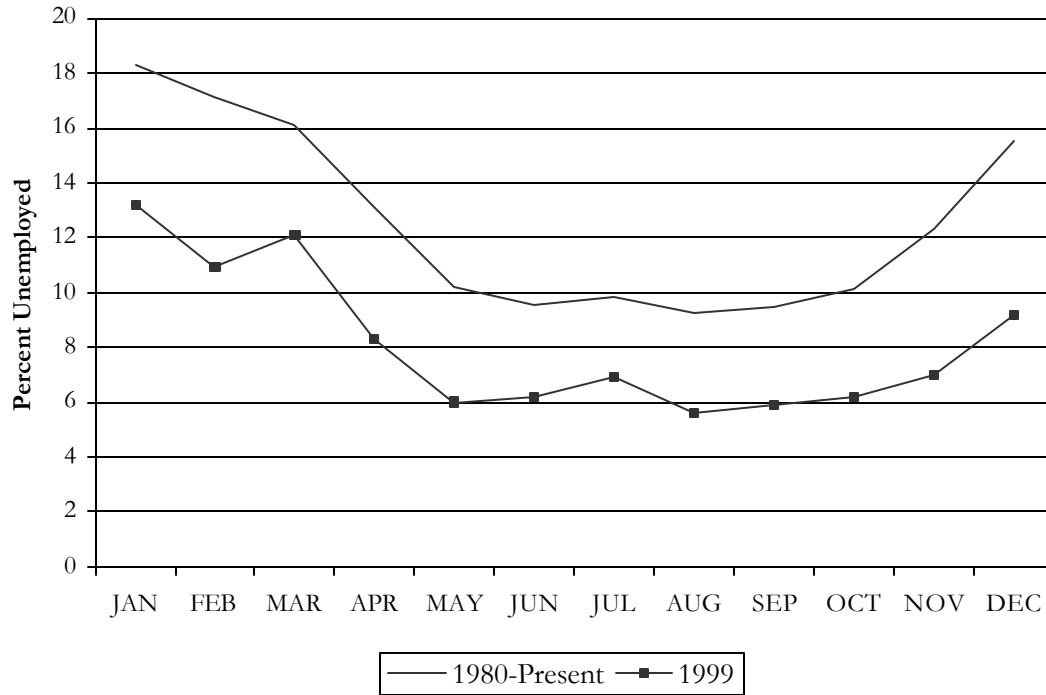


Figure 2
Average Unemployment Rate
Greenbrier County Economy



THE GREENBRIER 1999

As a destination resort The Greenbrier provides a host of activities including golf, tennis, spa and pool, equestrian, shopping, fishing, trapshooting, croquet, falconry, and white water rafting, among others. The Greenbrier employed 1,504 employees on average during 1999. At periods of peak occupancy employment rose to 1,667 while during the off-season employment was as low as 1,227. These individuals include desk clerks, managers, waiters, chefs, pool attendants, golf starters, housekeepers, groundskeepers, tennis and golf pros, laundry workers, plumbers, carpenters, painters, and a host of individuals in other occupations. Almost all employees were West Virginia residents with approximately 90 percent residing in Greenbrier County. Greenbrier employees provide the majority of services marketed through the resort; however, there are some services provided by vendors in the immediate region who have their own employees.

The Greenbrier has two major seasons. The main season spans the period April-October and represents the highest occupancy rates and profitability. The off-season spans the period November-March with the months of January and February having the lowest occupancy rates. In fact, during the month of January average monthly occupancy rates have been as low as 12 percent. It has been reported that during January, February and March that The Greenbrier loses approximately \$15,000,000. In any business operation this represents a difficult situation. As shown above with the unemployment statistics, The Greenbrier's loss negatively affects the county as a whole.

In 1999 there were a total of 254,166 guest days recorded at The Greenbrier. The average guest spent \$408 per day at the resort. While some travelers spent funds elsewhere within West Virginia and Greenbrier County while visiting or traveling to The Greenbrier, no information is available on the amount spent. Not having this information contributes to conservatism in the analysis. Of the guests, 88 percent came from outside West Virginia with the balance (12 percent) from within West Virginia. It is clearly apparent that The Greenbrier attracts an out-of-state, higher income visitor.

The focus of this report will be on all activities associated with The Greenbrier Resort Management Company. Under this corporate organization are CSX Hotels, CSX IP, Old White Club Corporation, Greenbrier Golf and Tennis Club Corporation, The Old White Development Company and the Greenbrier Village Utility Company. Outside of the significant physical presence in White Sulphur Springs, The Greenbrier also operates the food service at Tamarack and has an outlet store at the Flatwoods Factory Outlet Center. All of the above entities are considered to be integral to the operation of The Greenbrier and would not exist without the success of the original resort. Also included are revenues associated with the bunker, the former government relocation facility that is now owned and operated by The Greenbrier.

In 1999 The Greenbrier paid considerable taxes to the State of West Virginia. These include the following:

Consumer Sales Taxes	\$6,345,922
Corporate Net Income Tax	\$490,373
Business Franchise Tax	\$611,063
Use Tax	\$331,337
Employee State Income Tax Withholding	\$1,170,958
Unemployment Compensation	\$1,181,398
Workers Compensation	\$1,071,622
Liquor/Wine	\$35,456
Total state taxes	\$11,238,129

In addition, The Greenbrier paid \$824,614 in local property taxes in Greenbrier County. These funds include \$210,272 to the Greenbrier County Commission and \$610,029 to the Greenbrier County Board of Education (\$353,270—School Current Levy, \$58,821—School Bond, and \$197,938—School Excess Levy).

In total, The Greenbrier, therefore, paid over \$12 million dollars in taxes and fees to the State of West Virginia, Greenbrier County Commission and the Greenbrier County Board of Education.

The study also includes the direct economic contribution of The Greenbrier Clinic, a nationally known diagnostic clinic offering a wide array of services, and Hoffman Limousine. It is very clear that the clinic's success would not be possible without the close partnership with The Greenbrier. The Greenbrier Clinic employs approximately 75 doctors and clinical personnel.

GAMING FACILITY

During the 1999 session of the West Virginia Legislature, Senate Bill 380 was passed and signed into law by Governor Underwood. This legislation vests regulation of a gaming facility at one historic resort hotel in the West Virginia Lottery Commission. Under this bill the holder of the gaming facility license is authorized to conduct a variety of Monte Carlo-styled table games within the licensed facility and to operate video lottery terminals. The bill includes a local option election whose results allow a gaming facility in the successful gaming facility license applicant's county as a prerequisite to the issuance of the gaming facility license.

Under SB 380 a new State Gaming Fund is created. All application and license fees, the Lottery Commission's 53 percent of video lottery gross terminal income and the state's 37 percent tax on the adjusted gross receipts from table gaming are to be collected by the Commission and deposited into the Fund. Under the bill the tax is in addition to all other state and local taxes but in lieu of consumer sales taxes on gross wagers. All expenses of the lottery commission for administration of the new law are to be paid from the State Gaming Fund; not to exceed 15 percent of the total annual revenue received into the State Gaming Fund. The balance of the State Gaming Fund is to be distributed as follows: 89 percent to the state general revenue fund; 4 percent to the county where the hotel is located; 2 percent to the municipality (or the closest municipality) where the gaming facility is located; 2 percent divided equally among the other municipalities located in the county; and 3 percent to the tourism promotion fund.

The Lottery Commission fiscal note to SB 380 estimates that the first year's gross adjusted gaming receipts from video lottery will be \$5,500,000 and from gaming tables \$5,500,000 for a total of \$11,000,000. Of this amount The Greenbrier receives 47 percent of video lottery and 63 percent of gaming tables for a total of \$6,050,000. The amount deposited in the State Gaming Fund is estimated at \$4,950,000 from the gross adjusted gaming receipts. Added to this amount is \$50,000 from a gaming facility licensing fee and \$10,000 from a video lottery manufacturer's fee giving a total of \$5,010,000 in the State Gaming Fund for the first year's operation. After subtracting estimated Lottery Commission Expenses of 15 percent, the State Gaming Fund has available \$4,258,500 for distribution.

Under SB 380 the State Gaming Fund estimated proceeds of \$4,258,500 are to be allocated as follows:

West Virginia State Share (89 percent)	\$3,790,065
Greenbrier County Commission Share (4 percent)	\$170,340
City of White Sulphur Springs (2 percent)	\$85,170
Divided Among Seven Other Greenbrier County Municipalities (2 percent)	\$85,170
Tourism (3 percent)	\$127,755

The Greenbrier management has provided one likely scenario regarding the operation of a gaming facility within the resort. **The values noted in bold, in addition to the \$4,258,500 in new tax revenue identified above, were used to determine the direct economic impacts of the proposed limited gaming facility's operation. An additional \$700,000 in state fees and miscellaneous taxes will also result.** These are reported herein as output under "direct economic impacts" in Table 7.

- The gaming facility will be high-end, table-oriented, with optional black tie dress and open during evening hours to overnight registered hotel guests ages 21 and over only. **Total gaming facility revenue is estimated to be \$6,050,000 annually (after the gaming tax split with the State of West Virginia) or approximately \$40 per occupied room.** The operation of the gaming facility will necessitate the addition of 76 employees with an annual payroll and fringe benefits of \$3,381,000. These employees will be used to staff the slots, table games, cage/security, general/administrative, and maintenance/engineering components of the proposed gaming facility. Besides the payroll expenses, other expense categories include license fees, gaming taxes, marketing, other taxes (property taxes to Greenbrier County of \$100,000 per year, income, unemployment compensation and workers compensation), other expenses, and fixed expenses. The stand-alone gaming facility operation will be a break-even proposition at best from the viewpoint of The Greenbrier given the high tax rates and their unusual application to total revenue rather than net income that is the norm for virtually every other business in the United States.

- The gaming facility will increase the resort occupancy rate, particularly during the off-season. Management estimates that an additional 34,000 guest days will be generated from the operation of the gaming facility. The expansion in occupancy rates will increase revenues in the major departments including rooms, main dining room food and beverage, room refreshments, Drapers Cafe, Old White Club, seasonal food and beverage, sports and recreation, valet/laundry, garage/motor services, telephone, retail sales, and other areas. **Total revenues exclusive of the gaming facility are estimated to increase \$13,183,328 (net of cost of goods sold).** This will necessitate an increase in the number of employees at The Greenbrier. The average annual number of additional employees needed at the resort due to the gaming facility is estimated to be 79 with an annual payroll of \$2,544,081, which has been accounted for above. This amount is adjusted for the cost of goods sold.
- The additional guests at The Greenbrier will also increase sales taxes collected at The Greenbrier as well as tips to The Greenbrier employees. **Sales tax collections are estimated to increase by \$831,000 while tips to The Greenbrier employees are estimated to increase by \$181,000.**
- **Additional revenue is projected for The Greenbrier Clinic and other closely allied businesses in the amount of \$1,558,255.**

The above assumptions are used to estimate the economic impact associated with the operation of the gaming facility as if it had operated in 1999.

GEOGRAPHICAL AREA

This study examines the economic impacts of The Greenbrier for several different geographical regions. First of all, impacts are measured for the entire state of West Virginia. Second, impacts are measured for Greenbrier County where The Greenbrier is located. Finally, impacts are estimated for the eight incorporated municipalities within Greenbrier County. These municipalities are:

Alderson
 Falling Springs (Renick)
 Lewisburg
 Quinwood
 Rainelle
 Ronceverte
 Rupert
 White Sulphur Springs

ECONOMIC IMPACT MODEL

The “indirect and induced” economic impact of The Greenbrier and the proposed gaming facility were estimated using the IMPLAN input-output model. This is a standard methodology used in numerous national and regional economic impact studies. This methodology has been used by the Bureau of Business and Economic Research (BBER), West Virginia University, to estimate the economic impact of the following West Virginia businesses or industries: West Virginia Travel and Tourism Annual Impacts, West Virginia Wood Products Industry, New Georgia Pacific Plant, West Virginia High Technology Consortium and Related Federal Facilities, and West Virginia Historic Preservation and Heritage Based Tourism, among others. BBER used this methodology in the previous study on this subject, *Economic Impact of The Greenbrier 1998*.

The methodology quantifies the economic impact of the entity or organization based upon the financial information available and knowledge of the expenditure patterns within the region of interest. This study estimates the following types of impacts. For this updated and expanded study: output, employee compensation and assorted state taxes were considered as the most relevant in terms of determining the positive economic impact of the proposed limited gaming facility. Appendix A lists the definitions of these terms.

The economic impacts estimated are viewed as conservative. While they include the indirect and induced impacts from the expenditures by The Greenbrier, they exclude many unquantifiable impacts associated with the resort. These include:

1. Resort guests spend funds outside of the resort. These expenditures may take the form of gasoline purchases, additional guest nights in other West Virginia hotels, off-site meals, gifts and other retail sales.
2. Visitors to The Greenbrier are exposed to the best of West Virginia not only through the hospitality experienced during their visit but also through West Virginia Division of Tourism and West Virginia Development Office promotional videos, which are aired through their in-house television channels. Some of these individuals and organizations may make personal or investment decisions within the state as a result of their experience at the resort.
3. The Greenbrier provides exposure to both K-12 as well as higher education students for career opportunities in the hospitality industry. This educational experience often takes the form of summer employment. A continual partnership with Greenbrier East High School since 1985 includes a charity golf tournament, prom, and guest speakers.
4. The affiliation of The Greenbrier with Tamarack has assisted in the development of the product mix and retail success of that enterprise.

The end result of these exclusions is the probable underestimation of the economic contributions of The Greenbrier that could be several millions of dollars on top of the estimates presented in the following tables.

THE ECONOMIC IMPACT OF THE GREENBRIER 1999

The economic contributions of The Greenbrier are significant. The total economic impact of The Greenbrier on the West Virginia economy was greater than \$200 million of output in 1999 (Table 2). This activity generated more than \$84.8 million in employee compensation and accounted for 2,852 jobs in West Virginia. It is equally significant in Greenbrier County, as the 1999 output was \$175.7 million, with \$76.9 million in employee compensation through 2,554 jobs. A key insight here is that a significant majority of The Greenbrier's economic impact remains in Greenbrier County.

Table 2
Economic Impact of The Greenbrier
West Virginia Economy 1999

Type of Economic Impact	Direct Economic Impact	Indirect and Induced Economic Impact	Total Economic Impact
Output (1000\$)	\$127,359	\$73,361	\$200,721
Employment (jobs)	1,655	1,197	2,852
Employee Compensation (1000\$)	\$61,899	\$22,912	\$84,811
Assorted State Taxes (\$)	\$10,249,000	\$1,506,000	\$11,755,000

Note: Numbers may not sum due to rounding. State taxes include consumer sales, personal income, corporate net income, and business franchise.

Table 3
Economic Impact of The Greenbrier
Greenbrier County Economy 1999

Type of Economic Impact	Direct Economic Impact	Indirect and Induced Economic Impact	Total Economic Impact
Output (1000\$)	\$127,359	\$48,305	\$175,664
Employment (jobs)	1,655	899	2,554
Employee Compensation (1000\$)	\$61,899	\$14,998	\$76,896

Note: Numbers may not sum due to rounding.

THE ECONOMIC IMPACT OF A GAMING FACILITY AT THE GREENBRIER

The addition of a gaming facility would increase the economic contributions of The Greenbrier to the state and local economy. Total output impacts in West Virginia would increase \$41.7 million due to increased activity associated with the gaming facility (Table 5). The gaming facility would also increase employee compensation in West Virginia by \$11.2 million and total employment impacts of The Greenbrier would reach 3,270 jobs, an increase of 418 jobs. The gaming facility would also have significant tax impacts on the state. Assorted state tax revenues would increase by \$6.3 million dollars with the addition of the gaming facility at The Greenbrier.

As shown in Table 7, the economic contribution in Greenbrier County would also be significant. Total output, would increase by \$36.8 million each year. Sometimes, layman refer to this term as the “generation of economic activity”. It is a key measurement of the positive economic impact that a gaming facility would have on the county’s economy. As stated earlier this value is conservative and could easily be several million dollars more every year. Consistent with total output, 359 new jobs would be created with a compensation of \$9.7 million per year.

Table 4
Economic Impact of The Greenbrier with a Gaming Facility
West Virginia Economy 1999

Type of Economic Impact	Direct Economic Impact	Indirect and Induced Economic Impact	Total Economic Impact
Output (1000\$)	\$154,133	\$88,261	\$242,394
Employment (jobs)	1,830	1,440	3,270
Employee Compensation (1000\$)	\$68,548	\$27,496	\$96,043
Total State Taxes (\$)	\$16,365,000	\$1,685,000	\$18,050,000

Note: Numbers may not sum due to rounding. State taxes include consumer sales, personal income, corporate net income, business franchise, and gaming taxes.

Table 5
Increased Economic Impact of The Greenbrier with a Gaming Facility
West Virginia Economy 1999

Type of Economic Impact	Direct Economic Impact	Indirect and Induced Economic Impact	Total Economic Impact
Output (1000\$)	\$26,773	\$14,900	\$41,673
Employment (jobs)	175	243	418
Employee Compensation (1000\$)	\$6,649	\$4,584	\$11,232
Total State Taxes (\$)	\$6,116,000	\$179,000	\$6,295,000

Note: Numbers may not sum due to rounding. State taxes include consumer sales, personal income, corporate net income, business franchise, and gaming taxes.

Table 6
Economic Impact of The Greenbrier with a Gaming Facility
Greenbrier County Economy 1999

Type of Economic Impact	Direct Economic Impact	Indirect and Induced Economic Impact	Total Economic Impact
Output (1000\$)	\$154,133	\$58,288	\$212,421
Employment (jobs)	1,830	1,084	2,914
Employee Compensation (1000\$)	\$68,548	\$18,014	\$86,562

Note: Numbers may not sum due to rounding.

Table 7
Increased Economic Impact of The Greenbrier with a Gaming Facility
Greenbrier County Economy 1999

Type of Economic Impact	Direct Economic Impact	Indirect and Induced Economic Impact	Total Economic Impact
Output (1000\$)	\$26,773	\$9,983	\$36,756
Employment (jobs)	175	185	359
Employee Compensation (1000\$)	\$6,649	\$3,017	\$9,666

Note: Numbers may not sum due to rounding.

The construction of the gaming facility will also interject funds into the West Virginia and Greenbrier County economies. The Greenbrier management estimates the construction cost will total \$10 million (\$3.5 million will be spent on furnishings and equipment) over one year's construction period. Table 8 provides the direct, indirect and induced and total economic impacts of the construction on the West Virginia economy assuming that it would have taken place during 1999. Table 9 provides a similar impact summary for the Greenbrier County economy, which is again significant. Essentially, the county will realize positive economic impacts from the limited gaming facility even before it actually begins operation.

Table 8
Economic Impact of Gaming Facility Construction
West Virginia Economy 1999

Type of Economic Impact	Direct Economic Impact	Indirect and Induced Economic Impact	Total Economic Impact
Output (1000\$)	\$6,500	\$3,968	\$10,468
Employment (jobs)	40	62	102
Employee Compensation (1000\$)	\$1,121	\$1,230	\$2,351

Note: Numbers may not sum due to rounding.

Table 9
Economic Impact of Gaming Facility Construction
Greenbrier County Economy 1999

Type of Economic Impact	Direct Economic Impact	Indirect and Induced Economic Impact	Total Economic Impact
Output (1000\$)	\$6,500	\$2,824	\$9,324
Employment (jobs)	40	51	91
Employee Compensation (1000\$)	\$1,121	\$897	\$2,018

Note: Numbers may not sum due to rounding.

ECONOMIC IMPACTS WITHIN GREENBRIER COUNTY

Thus far the study has examined the economic impacts of The Greenbrier under two different scenarios for the entire state of West Virginia and Greenbrier County. Because of the economic importance of The Greenbrier to individual municipalities within the county, this portion of the study provides estimates for eight incorporated areas and the balance of the county. These incorporated areas are Alderson, Falling Springs (Renick), Lewisburg, Quinwood, Rainelle, Ronceverte, Rupert and White Sulphur Springs.

Individual employees of The Greenbrier reside throughout Greenbrier County. In addition, The Greenbrier purchases goods and services from a myriad businesses residing in the county. As a result, the direct, indirect and induced economic impacts from its operation are felt throughout the county. Taking as a starting point the economic impacts for Greenbrier County (Table 3), these impacts are disaggregated into the municipal impacts and are reported in tables 10 through 18

Note that each municipality within the county receives a positive economic impact from the limited gaming facility.

Table 10
Economic Activity of The Greenbrier
Alderson Economy 1999

Type of Economic Impact	Total Economic Activity from The Greenbrier	Total Economic Activity from The Greenbrier with the Gaming Facility
Output (1000\$)	\$1,607	\$1,939
Employment (jobs)	74	84
Employee Compensation (1000\$)	\$2,145	\$2,411

Note: Employment and employee compensation include persons working at The Greenbrier who reside in the municipality and their employee compensation from The Greenbrier

Table 11
Economic Activity of The Greenbrier
Falling Springs (Renick) Economy 1999

Type of Economic Impact	Total Economic Activity from The Greenbrier	Total Economic Activity from The Greenbrier with the Gaming Facility
Output (1000\$)	\$243	\$293
Employment (jobs)	24	26
Employee Compensation (1000\$)	\$786	\$873

Note: Employment and employee compensation include persons working at The Greenbrier who reside in the municipality and their employee compensation from The Greenbrier.

Table 12
Economic Activity of The Greenbrier
Lewisburg Economy 1999

Type of Economic Impact	Total Economic Activity from The Greenbrier	Total Economic Activity from The Greenbrier with the Gaming Facility
Output (1000\$)	\$5,074	\$6,123
Employment (jobs)	333	377
Employee Compensation (1000\$)	\$10,514	\$11,732

Note: Employment and employee compensation include persons working at The Greenbrier who reside in the municipality and their employee compensation from The Greenbrier.

Table 13
Economic Activity of The Greenbrier
Quinwood Economy 1999

Type of Economic Impact	Total Economic Activity from The Greenbrier	Total Economic Activity from The Greenbrier with the Gaming Facility
Output (1000\$)	\$714	\$862
Employment (jobs)	19	23
Employee Compensation (1000\$)	\$446	\$513

Note: Employment and employee compensation include persons working at The Greenbrier who reside in the municipality and their employee compensation from The Greenbrier.

Table 14
Economic Activity of The Greenbrier
Rainelle Economy 1999

Type of Economic Impact	Total Economic Activity from The Greenbrier	Total Economic Activity from The Greenbrier with the Gaming Facility
Output (1000\$)	\$2,183	\$2,634
Employment (jobs)	61	71
Employee Compensation (1000\$)	\$1,426	\$1,637

Note: Employment and employee compensation include persons working at The Greenbrier who reside in the municipality and their employee compensation from The Greenbrier.

Table 15
Economic Activity of The Greenbrier
Ronceverte Economy 1999

Type of Economic Impact	Total Economic Activity from The Greenbrier	Total Economic Activity from The Greenbrier with the Gaming Facility
Output (1000\$)	\$2,279	\$2,749
Employment (jobs)	159	180
Employee Compensation (1000\$)	\$5,083	\$5,667

Note: Employment and employee compensation include persons working at The Greenbrier who reside in the municipality and their employee compensation from The Greenbrier.

Table 16
Economic Activity of The Greenbrier
Rupert Economy 1999

Type of Economic Impact	Total Economic Activity from The Greenbrier	Total Economic Activity from The Greenbrier with the Gaming Facility
Output (1000\$)	\$1,484	\$1,791
Employment (jobs)	63	72
Employee Compensation (1000\$)	\$1,770	\$1,994

Note: Employment and employee compensation include persons working at The Greenbrier who reside in the municipality and their employee compensation from The Greenbrier.

Table 17
Economic Activity of The Greenbrier
White Sulphur Springs Economy 1999

Type of Economic Impact	Total Economic Activity from The Greenbrier	Total Economic Activity from The Greenbrier with the Gaming Facility
Output (1000\$)	\$3,670	\$4,428
Employment (jobs)	819	908
Employee Compensation (1000\$)	\$29,228	\$32,287

Note: Employment and employee compensation include persons working at The Greenbrier who reside in the municipality and their employee compensation from The Greenbrier.

Table 18
Economic Activity of The Greenbrier
Balance of County Economy 1999

Type of Economic Impact	Total Economic Activity from The Greenbrier	Total Economic Activity from The Greenbrier with the Gaming Facility
Output (1000\$)	\$158,411	\$191,602
Employment (jobs)	1,002	1,174
Employee Compensation (1000\$)	\$25,499	\$29,448

Note: Employment and employee compensation activity is included in the municipality where the person lives.

TAX IMPACTS WITHIN GREENBRIER COUNTY

The Greenbrier also has considerable tax impacts within Greenbrier County. The operation of the gaming facility will provide taxes directly to Greenbrier County (\$170,340) and to the municipalities within the county (\$170,340 among eight municipalities). The operation of the gaming facility will also provide taxes to the state, which will be spent by and/or for counties and municipalities around the state. Greenbrier County's share of \$3.8 million dollars paid to the state will be \$74,043. Table 19 provides a breakdown of the taxes associated with the gaming facility for both the county and each of the municipalities.

Table 19
Tax Impacts Associated with the Gaming Facility
Greenbrier County and Municipality Economies

County or Municipality	Gaming Facility Local Taxes Earmarked to Local Government Unit		Gaming Facility State Taxes Share Allocated to Local Economy	Total Estimated Tax Impacts
	Dollars	Percent of General Revenue Fund		
Greenbrier County	\$170,340	3.7%	\$74,043 ¹	\$244,383
Alderson	\$12,167	7.0%	\$2,463	\$14,630
Falling Springs (Renick)	\$12,167	92.4%	\$372	\$12,539
Lewisburg	\$12,167	0.9%	\$7,778	\$19,945
Quinwood	\$12,167	14.6%	\$1,094	\$13,261
Rainelle	\$12,167	2.3%	\$3,346	\$15,513
Ronceverte	\$12,167	2.2%	\$3,493	\$15,660
Rupert	\$12,167	12.5%	\$2,275	\$14,442
White Sulphur Springs	\$85,170	9.6%	\$5,625	\$90,795
Total to All Units	\$340,680	NA	\$74,043	\$414,723

Note: Gaming facility local taxes are allocated directly to the municipality. Gaming facility state taxes are spent in and/or for the municipality by the state.

¹ Greenbrier County share includes share from municipalities.

The operation of The Greenbrier also has significant tax impacts that affect Greenbrier County and the municipalities within the county. The Greenbrier paid \$824,614 in local property taxes in Greenbrier County in 1999. The operation of The Greenbrier also accounts for significant state taxes each year. The direct, indirect, and induced assorted state taxes resulting from The Greenbrier and paid to the state were \$11,755,000 in 1999. The total assorted state taxes (less gaming taxes provided in Table 19) resulting from The Greenbrier with the operation of the gaming facility would be \$13,100,000. Table 20 provides estimates of what this would mean for the county and each of the municipalities assuming that the state taxes were spent in and/or for the county or municipality by the state.

Table 20
Tax Impacts Associated with the Operation of The Greenbrier
Greenbrier County and Municipality Economies

County or Municipality	State Taxes Share Allocated to Local Economy	
	The Greenbrier	The Greenbrier with a Gaming Facility
Greenbrier County ²	\$229,647	\$255,923
Alderson	\$7,639	\$8,513
Falling Springs (Renick)	\$1,155	\$1,287
Lewisburg	\$24,125	\$26,885
Quinwood	\$3,394	\$3,783
Rainelle	\$10,378	\$11,565
Ronceverte	\$10,832	\$12,072
Rupert	\$7,055	\$7,862
White Sulphur Springs	\$17,446	\$19,442

² Greenbrier County share includes share from municipalities.

APPENDIX A IMPACT DEFINITIONS

Assorted State Taxes:	West Virginia state revenues from consumer sales tax, personal income tax, corporate net income tax, and business franchise tax.
Employment:	The number of jobs in a business, industry, or region. Also the number of jobs attributable to an impact (see below). This is a measure of the number of full-time and part-time positions, not necessarily the number of employed persons. Annual average by place of work unless otherwise stated.
Employee Compensation:	Wages and salaries plus employers' contribution for social insurance (social security, unemployment insurance, workers compensation, etc.) and other labor income (pension contributions, health benefits, etc.). By place of work unless otherwise stated.
Impacts:	The results of the recirculation of funds throughout a regional economy due to the activity of a business, industry, or institution. Estimated by tracing back the flow of money through the initial businesses' employees and suppliers, the businesses selling to the employees and suppliers, and so on. Thus, they are a way to examine the distribution of industries and resources covered in the costs of the initial activity.
Output:	For most sectors, measured as sales plus net inventories and the value of intra-corporate shipments. For retail and wholesale trade, measured as gross margins (i.e. mark-ups on goods sold).

APPENDIX B BIOGRAPHIES OF THE AUTHORS

Dr. Tom S. Witt

Dr. Tom S. Witt is the Associate Dean for Research and Outreach in the College of Business and Economics at West Virginia University. In addition, he serves as the director, Bureau of Business and Economic Research, interim director, Entrepreneurship Center, and professor of economics, West Virginia University. Dr. Witt received his BA from Oklahoma State University and his MA and Ph.D. degrees from Washington University (St. Louis). Dr. Witt joined the Department of Economics at WVU in 1970 as an assistant professor rising to the rank of professor in 1980.

His research spans the areas of regional economics, economic development, econometric forecasting, public finance and energy economics. Dr. Witt and Mr. Childs are the project director and research analysis, respectively, in a major study on the economic impact of mountaintop mining and associated valley fill that will be part of the U.S. Environmental Protection Agency's environmental impact statement.

His book, *West Virginia in the Nineties: Policies for Economic Progress*, has become required reading for state leaders interested in the future prospects for the state economy. The author of numerous monographs and refereed articles, he has also co-authored one book, *Power From the Appalachians*. He has worked on numerous research and public service projects in West Virginia with funding from the West Virginia Manufacturers Association, Governor's Office, American Electric Power, Allegheny Power, Public Service Commission, West Virginia Development Office and West Virginia Legislature, among others.

Dr. Witt is a member of many professional associations including the American Economic Association, American Statistical Association, and Regional Science Association, among others. He is a member of Main Street Morgantown, Morgantown Chamber of Commerce, West Virginia Economic Development Council and West Virginia Chamber of Commerce. He serves as vice president of the Monongalia County Development Authority. Finally, he serves as the president-elect of the Association for University Business and Economic Research, a national organization of university business and economic research centers. Dr. Witt is married to Grethe Myles, a native of Greenbrier County.

Randall Childs

Randy Childs is a Research Associate in the Bureau of Business and Economic Research. The Bureau of Business and Economic Research is part of the College of Business and Economics at West Virginia University. In addition, Mr. Childs is a Principal in Community and Economic Development Consultants, LLC. Mr. Childs received his BA and MS from West Virginia University. Mr. Childs joined the Bureau of Business and Economic Research in 1992.

His research has included numerous labor market and economic impact studies. Mr. Childs and Dr. Witt (together with David Greenstreet) were the authors of the *Economic Impact of Historic Preservation In West Virginia*, which examined the impacts of historic preservation construction and heritage tourism. Mr. Childs and Dr. Witt are part of a Bureau research team involved in providing a detailed analysis of the economic impacts associated with a regional heritage tourism demonstration project being conducted by the Preservation Alliance of West Virginia.

Mr. Childs has conducted studies on the economic impacts of the West Virginia High Technology Consortium Foundation, Mountaineer Race Track and Gaming Resort, and West Virginia University, to name a few.

Mr. Childs is a member of the American Economic Association and the Southern Regional Science Association. Mr. Childs is a town council member for the Town of Reedsville in Preston County.