

## **Economic Opportunity for Berks County in Liberty Bell Motorsports Park & Campground**

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Liberty Bell Motorsports Park and Campground is planned for construction in Douglassville, Pa. The facility will be a multi-functional, state-of-the-art motorsports track complex that will include a campground area and buildings. Liberty Bell asked our Penn State research group, the Institute for Research in Training and Development, to forecast the potential total economic impacts of the Park and Campground.

Residents of Berks County should feel encouraged by the potential economic impacts that Liberty Bell Motorsports Park and Campground could have. The County had 1.54 unemployed people for every March 2011 job opening. Between 2005 and 2011, employment fell by 12% in construction, 22% in information industries, and 14% in manufacturing. Median wages in 2010 were 9.2% lower in Berks County than in the entire Commonwealth.

We examined the potential economic impacts of two phases: first, the construction of the Park and Campground and, second, the first year of Liberty Bell's operation using information about spending and activity that Liberty Bell provided.

The construction phase of the development of Liberty Bell Motorsports Park and Campground could generate 633 jobs, almost \$92 million of output of goods and services, over \$27 million of employee compensation, and \$972,000 of indirect business tax revenue within Berks County.

These construction impacts could result from three ripple effects on the Berks County economy. First, Liberty Bell itself will generate jobs, industry output of goods and services, compensation, and tax revenue. Second, the Park and Campground will purchase some of the goods and services they use to run the facility from suppliers in the local Berks County economy. And, third, impacts will be created because Liberty Bell workers and workers in Berks County industries that supply the Park and Campground will spend some of their income on goods and services sold by Berks County firms.

The total ripple effect on the Berks County economy of the first year of operation of Liberty Bell Motorsports Park and Campground could include 242 jobs, \$12.5 million of economic output, \$4.1 million of employee compensation, and approximately \$369,000 of indirect business tax revenue. The average impacts of the Park and Campground over their working lives are likely to be higher due to steady annual growth in Liberty Bell business that is anticipated.

The total, county-wide impact on state and local personal income taxes during the construction phase of Liberty Bell Motorsports Park and Campground development is estimated to be approximately \$733,000. In addition, the total, county-wide impact on state and local personal income taxes during the first year of operation of Liberty Bell Motorsports Park and Campground is estimated to be approximately \$99,000.

Construction and operation of Liberty Bell could alter the market and assessed value of the 653-acre tract designated for the Park and Campground. For every \$10 million of assessed value in Daniel Boone Area School District, the tax levied in 2010–2011 was \$282,418, which was approximately 1% of the total real estate property taxes levied in the School District.

Based upon potential assessment values for the developed land (not including the buildings reported to Liberty Bell, the real estate taxes to be paid to the school district are estimated to exceed \$500,000, with an additional \$125,000 to Berks County and \$32,000 to Union Township. The amount of real estate taxes is expected to increase as further building development occurs.

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