

# Economic Impact of Construction

***Based on April 2009 report prepared by the Pennsylvania Economy League of Southwestern Pennsylvania***

## **Executive Summary**

Point Park University is a comprehensive master's level university with a strong liberal arts tradition and is currently one of the largest property owners in Downtown Pittsburgh. In 2008 Point Park University announced its plans to develop the Academic Village at Point Park University, which seeks to bring new academic and cultural facilities, architectural and streetscape improvements, and greater economic opportunity to Pittsburgh. The University asked the Pennsylvania Economy League of Southwestern Pennsylvania LLC to perform an economic impact study of the project. This study looks at the total economic impact resulting from the Academic Village Initiative.

## **Measuring the Economic Impact of the Academic Village Initiative**

Pittsburgh's economy benefits from the direct employment, compensation and output that results from Point Park University's investment in the Academic Village Initiative as well as from the impacts of the supply and distribution chain of related industries. The jobs supported in the design and construction industries during the course of the development, and many more in the broader economy, would not exist without Point Park University's investment. Similarly, the wages paid to employees directly involved in the design and construction related to the initiative have an impact on the broader economy as employees use their compensation to buy goods and services, which spurs more economic activity. In this report, the Economy League measures direct, indirect and induced economic output as well as jobs and compensation created by the Academic Village Initiative.

## **Added Value Over Design and Construction Phase**

The Academic Village Initiative will be an important contributor to the region's economy during the course of the project, supporting:

- Close to \$500 million in economic output – including \$280 million in direct economic impact
- More than 3,700 full- and part-time jobs over the course of the development and construction
- \$280 million in total value added to the economy between 2008 and 2015 –
  - The bulk of the total value added arises from the more than \$215 million paid in labor income.
  - Further value is added by the more than \$50 million generated in investor and property owner income, which includes rents received on properties along with royalties and dividends.
  - Indirect business taxes create a further \$13 million in value added to the economy by the project.

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## Conclusion

Point Park University is a growing force in the Pittsburgh region and can contribute to the vibrancy of Downtown Pittsburgh. The Academic Village will continue this growth with an investment of \$244 million in Point Park University's Downtown Pittsburgh campus. Through spending on design and construction, the project will add close to \$280 million in total value to the economy. The project will generate 3,700 full- and part-time jobs through direct spending, and indirect and induced ripple effects in the local economy. The four major components of the Academic Village Initiative all contribute to the Allegheny County economy:

- The Boulevard Apartments construction will add \$18 million in value to the local economy and generate 250 full- and part-time jobs over the course of the project.
- The public space enhancements will add \$23 million in value to the local economy and generate more than 310 full- and part-time jobs over the course of the project.
- The Student Union and Athletic Center project will add \$39 million in value to the economy and generate more than 530 full- and part-time jobs over the course of the project.
- The Pittsburgh Playhouse on Forbes Avenue will add \$200 million in value to the economy and generate 2,600 full- and part-time jobs over the course of the project.

To view a copy of the complete report, visit [www.pointpark.edu/academicvillage](http://www.pointpark.edu/academicvillage).

*The Pennsylvania Economy League of Southwestern Pennsylvania has been a force for positive change since its founding in 1936. It is widely recognized and well regarded as a nonpartisan research organization committed to sound public policy, which enhances the competitiveness of the Commonwealth. The Economy League is the research affiliate of the Allegheny Conference on Community Development and provides research and analysis on targeted public policy priorities for the region.*

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