

Lava Ridge Wind Project



BY THE NUMBERS



Lava Ridge Wind, a 1000+ MW project located in Lincoln, Jerome, and Minidoka counties, will dramatically increase economic activity in the area by supporting local suppliers and businesses, growing jobs in the region’s economy, and providing a large increase in state and local governments’ tax revenues.

ECONOMIC IMPACT FROM THE CONSTRUCTION PHASE*

	JOB	ECONOMIC OUTPUT	TAX REVENUE
CONSTRUCTION PERIOD	700+	\$500+ MILLION	\$80+ MILLION

ECONOMIC IMPACT ONCE IN OPERATION*

	JOB	ECONOMIC OUTPUT	TAX REVENUE
OPERATIONS ANNUALLY	20	\$15 MILLION	\$4 MILLION

“The Lava Ridge Wind project is an incredible opportunity for our region. Not only will it provide high paying jobs, but the tax revenue generated will be significant. For rural counties like Lincoln, Jerome, and Minidoka, an increase in tax revenue like this can mean investments in infrastructure and public facilities that otherwise would be years away or fiscally impossible.”

CONNIE STOPHER, SOUTHERN IDAHO
ECONOMIC DEVELOPMENT
EXECUTIVE DIRECTOR

THE ECONOMIC IMPACTS OF THE LAVA RIDGE WIND PROJECT WILL BE FELT IN TWO PHASES

Construction Phase

Construction on the wind project is estimated to last two years.

The large expenditures and labor demand for the project's construction activities will significantly increase employment, compensation, regional business activity, and tax revenues. These revenues will come from the direct purchase of construction materials and the indirect and induced economic effects of related business activity. The influx of construction activity will greatly impact surrounding area hotels, restaurants, housing, local businesses, and shopping centers.



CONSTRUCTION ECONOMIC IMPACT (CUMULATIVE- TWO YEARS)*

IMPACT TYPE	JOB-YEARS	OUTPUT	GRP	WAGES/BENEFITS
DIRECT EFFECT	1,451	\$425,000,000	\$278,664,000	\$171,954,000
INDIRECT EFFECT	432	\$66,488,300	\$30,790,300	\$18,325,700
INDUCED EFFECT	478	\$64,114,200	\$33,661,700	\$14,979,000
TOTAL EFFECT	2,361	\$555,602,500	\$343,116,000	\$205,258,700

TAX	PROPERTY	SALES/EXCISE	INCOME	TOTAL
	\$3,277,800	\$77,084,400	\$7,553,500	\$87,915,700

Annual Operation Economic Impact

Once in operation, the wind project will provide an estimated \$4 million annually to Idaho's tax base, largely impacting the three counties' schools, highway districts, fire, and ambulance services. The estimated 20 permanent jobs will produce an economic impact of \$15 million annually due to the well-paid salaries for wind technicians and operation teams.

ANNUAL ECONOMIC IMPACT

IMPACT TYPE	JOBS	OUTPUT	GRP	WAGES/BENEFITS
DIRECT EFFECT	20	\$7,600,000	\$4,670,100	\$2,360,000
INDIRECT EFFECT	16	\$4,933,500	\$2,181,000	\$944,700
INDUCED EFFECT	17	\$2,471,300	\$1,329,900	\$731,300
TOTAL EFFECT	53	\$15,004,800	\$8,181,000	\$4,036,000

TAX	PROPERTY	SALES/EXCISE	INCOME	TOTAL
	\$3,817,400	\$568,751	\$148,000	\$4,534,200

ECONOMIC INDICATORS

Researchers for this economic report used IMPLAN, the leading provider of economic impact data and analytical software. The foundational concept of IMPLAN views all industries, households, and government in the economy as connected through buy-sell relationships. The new economic activity supports a ripple of additional economic activity throughout the area of impact.

OUTPUT

IMPLAN Output data comes from the same sources as those used by the BEA in developing their Benchmark Input-Output tables. Since output is the total production value of a Sector, it includes all production value or output components for a given Sector: Output = Employee Compensation + Proprietor Income + Intermediate Expenditures + Tax on Production and Imports + Other Property Income.

DIRECT EFFECT

These impacts stem from wages and salaries to employees of the facility or other firms directly involved in the construction or operation of a facility. In addition, direct effects are a result of purchases from local suppliers for construction or operations activities.

INDIRECT EFFECT

Indirect effects are the business-to-business purchases in the supply chain in the region that stem from the initial industry input purchases. For example, when equipment is purchased from a firm doing business directly with a facility, that company must then purchase its inputs from others. The employment income and output that come from these inter-industry effects constitute the indirect effects.

INDUCED EFFECT

The induced effects stem from income being spent throughout the region. Typically, the income being analyzed are the wages of employees working in the Direct/Indirect Industries. For example, when employees of the facility and supplying firms spend their income on food, clothing, entertainment, and automobiles, these purchases will stimulate economic activity throughout the study area's economy.

Gross Regional Product

Gross regional product (GRP) is a subset of sales output and represents a local measure of Gross Domestic Product at the county or state level. GRP is a net measure of economic activity and differs from sales output in that double-counting has been eliminated.

ONCE LAVA RIDGE IS IN OPERATION, THE ESTIMATED ANNUAL TAX PAYMENTS TO EACH COUNTY IS AS FOLLOWS*

LINCOLN COUNTY.....	\$590,100
LINCOLN COUNTY AMBULANCE DISTRICT.....	\$73,400
LINCOLN COUNTY RECREATION.....	\$75,800
DIETRICH SCHOOL #314.....	\$128,700
DIETRICH HIGHWAY #5.....	\$115,700
DIETRICH CEMETERY DISTRICT.....	\$38,000
DISTRICT DIETRICH FIRE.....	\$13,800
SCHOOL DISTRICT #312.....	\$138,400
KIMAMA HIGHWAY #6.....	\$95,500
MINIDOKA COUNTY.....	\$143,500
MINIDOKA SCHOOL #331.....	\$101,100
MINIDOKA HIGHWAY.....	\$36,800
MINIDOKA CEMETERY 2.....	\$9,700
WEST END FIRE.....	\$39,900
JEROME COUNTY.....	\$868,400
SCHOOL DISTRICT #261.....	\$375,200
JER RECREATION.....	\$46,000
LIFELINE AMBULANCE.....	\$65,700
SCHOOL DISTRICT #262.....	\$131,500
VALLEY REC. DISTRICT.....	\$30,500
HILLSDALE HIGHWAY.....	\$320,200
HAZELTON CEMETERY.....	\$13,100
COLLEGE OF SOUTHERN IDAHO.....	\$200,700
JEROME HIGHWAY.....	\$25,800
FIRST SEGREGATION FIRE.....	1,700
SUB-TOTAL.....	\$3,679,200
INDIRECT AND INDUCED.....	\$138,200
TOTAL PROPERTY/USE TAXES.....	\$3,817,400

* All estimated economic impact values and tax receipts per taxing district should be viewed as a first estimate only, based on a preliminary project design. The final design of the facility will determine actual values and tax revenue distribution. Additionally, the configuration of tax code regions, tax districts, and levy rates can change annually from the base year these estimates were made.