

# THE ECONOMIC AND FISCAL IMPACT WITHIN THE CITY OF PHILADELPHIA AND THE COMMONWEALTH OF PENNSYLVANIA OF COMCAST CORPORATION AND OF THE PROPOSED COMCAST INNOVATION AND TECHNOLOGY CENTER



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FINAL REPORT SUBMITTED TO:

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## EXECUTIVE SUMMARY

The purpose of this report is to quantify the direct and indirect economic impact of Comcast Corporation within the City of Philadelphia and the Commonwealth of Pennsylvania on expenditures, employment, earnings and property values produced within these economies, and the fiscal impact of Comcast on the City, School District, and Commonwealth, in the form of tax revenues generated to these governments. Comcast is the **only Fortune 50 corporation headquartered in Philadelphia**. Its economic and fiscal impacts will increase over time as Comcast continues its growth trajectory. Comcast's continued growth has catalyzed serious discussions about an expansion development, the **Comcast Innovation and Technology Center**, to be developed by Liberty Property Trust, adjacent to its current location at Comcast Center in Center City Philadelphia.

Comcast has significant annual operations within the City and Commonwealth.<sup>1</sup> A significant amount of economic activity, both direct and indirect, is supported by Comcast within the City and Commonwealth economies (**\$5.01 billion in expenditures and 43,800 jobs within the Commonwealth each year, of which \$2.69 billion in expenditures and 13,000 jobs are within the City**). Consequently, a significant amount of tax revenues, both direct and indirect, is generated (**\$130.7 million in City tax and fee revenues and an additional \$404.7 million in Commonwealth tax and fee revenues each year**) (see Table ES.1). This activity substantially exceeds previous forecasts of Comcast's impact on the City and Commonwealth.

Construction of the Comcast Innovation and Technology Center would include 1.285 million rentable square feet of office space as well as a 200-plus room, 5-star luxury hotel, restaurants, and retail. The construction would represent a significant amount of upfront activity, **\$2.75 billion in expenditures within the Commonwealth, of which \$1.73 billion will be within the City**. That activity will support temporary jobs (**20,700 jobs within the Commonwealth, of which 6,300 will be within the City**) and generate one-time tax revenues (**\$16.2 million in City tax revenues and an additional \$66.7 million in Commonwealth taxes**) (see Table ES.2).

The Comcast Innovation and Technology Center would represent a significant amount of ongoing operational activity, which would support permanent jobs and generate annual tax revenues. The **5-star luxury hotel, restaurants, and retail** components of this development would also represent a significant amount of operating expenditures and visitor spending within the City and Commonwealth, supporting additional jobs and generating additional tax revenues. All told, the proposed expansion development would

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<sup>1</sup> All economic and fiscal impact amounts stated throughout the report represent Comcast and the indirect and induced effects it has on the economies of Philadelphia and the Commonwealth. Amounts directly related to Comcast's operations will only be specified as such by use of the word "direct(ly)."

annually result in a net new gain of **\$1.05 billion in expenditures and 4,000 jobs within the Commonwealth (of which \$721 million and 2,800 jobs will be in the City)**, as well as **\$21.5 million more in City tax revenues and \$30.7 million more in Commonwealth tax revenues** each year (see Table ES.3).

Comcast Corporation also generates a significant amount of property related taxes every year; it pays real estate taxes and use and occupancy taxes on its buildings throughout the city. With the completion of the Comcast Innovation and Technology Center, Comcast will again increase the City’s real estate tax base as it did significantly when the Comcast Center opened. From 2009-2013 Comcast paid **\$18.5 million in Use and Occupancy Tax** on its City properties. It is estimated that Comcast will **pay \$56.4 million in School District taxes over the next ten years** including Real Estate tax on the Comcast Center and Use and Occupancy tax on its City properties including the Comcast Innovation and Technology Center Comcast’s presence also has generated significant **indirect Real Estate Tax revenues for the School District totaling \$23.5 million from 2009-2013 and could be as high as \$114.7 million from 2014-2023** (see Table ES.4).

The presence of Comcast and the prospect of the Comcast Innovation and Technology Center are also a significant plus for the Center City Philadelphia real estate market. Comcast Center has been shown to **enhance nearby residential property values** and **stimulate additional commercial investment**. And, the arrival of the proposed expansion development would enable the **retention of Comcast’s growth** within the City and Commonwealth, the **relocation of economic activity** into the City and Commonwealth, and the **provision of sorely needed “trophy”-level office space** within Center City Philadelphia.

Table ES.1 – Annual Economic and Fiscal Impact (Direct and Indirect) Generated by Current Operations of Comcast Corporation within the City of Philadelphia and the Commonwealth of Pennsylvania

	City of Philadelphia	Commonwealth of Pennsylvania
Total Output (\$B)	\$2.69	\$5.01
Total Employment (Jobs)	13,050	43,768
Total Tax Revenues (\$M)	\$130.7	\$404.7

**Table ES.2 – One-Time Economic and Fiscal Impact (Direct and Indirect) Generated by Upfront Construction of the Comcast Innovation and Technology Center**

	City of Philadelphia	Commonwealth of Pennsylvania
Total Output (\$B)	\$1.73	\$2.75
Total Employment (Jobs)	6,319	20,665
Total Tax Revenues (\$M)	\$16.2	\$66.7

**Table ES.3 – Net New Annual Economic and Fiscal Impact (Direct and Indirect) Generated by Ongoing Operations of Office, Hotel, and Retail Components of the Comcast Innovation and Technology Center**

	City of Philadelphia	Commonwealth of Pennsylvania
Total Output (\$B)	\$0.72	\$1.05
Total Employment (Jobs)	2,798	3,969
Total Tax Revenues (\$M)	\$21.5	\$30.7

**Table ES.4 – Total Estimated School District Tax Revenues from Real Estate Tax and Use and Occupancy Tax Directly and Indirectly Attributable to Comcast (in 2013\$)**

School District Tax Generation	5 Year Period from 2009-2013	10 Year Period from 2014-2023
School District Taxes Paid by Comcast	\$18.5	\$56.4
School District Taxes For Which Comcast is Indirectly Responsible	\$23.5	\$114.7
Total School District Taxes For Which Comcast is Responsible: Past 5 Years & Next 10 Years	\$42.0	\$171.1
Comcast's Total 15 Year Impact to School District Revenues	\$213.0	

## 1.0 INTRODUCTION

### 1.1 Purpose of Report

The purpose of this report is to quantify **the economic impact (direct and indirect) of Comcast Corporation within the City of Philadelphia and the Commonwealth of Pennsylvania**, on expenditures, employment, and earnings produced within these economies, and **the fiscal impact (direct and indirect) of Comcast on the City and Commonwealth**, in the form



of tax revenues generated to these governments. Throughout the report, these economic and fiscal impacts include both Comcast's direct contribution to the economy and the additional spillover impacts generated throughout the City and Commonwealth. Comcast's direct economic and fiscal impacts within the City and Commonwealth will be stated as such.

These impacts will increase over time as Comcast continues its growth trajectory. Comcast's continued growth has catalyzed planning for the **Comcast Innovation and Technology Center** to be developed by Liberty Property Trust. The firm also developed Comcast's current headquarters location, Comcast Center, in Center City Philadelphia.<sup>2</sup> The Comcast Innovation and Technology Center would be adjacent to Comcast Center and would produce one-time impacts from construction as well as ongoing impacts from the increased operating levels that would be sustained within the City and Commonwealth as a result of the expansion. This report thus tackles the related sources of impact associated with Comcast, the company, and the Comcast Innovation and Technology Center that will be a new highlight for Philadelphia's skyline and house some of Comcast's future growth.

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<sup>2</sup> Throughout the report, "Comcast" refers to Comcast Corporation and "Comcast Center" refers to the Comcast Center.

## 1.2 About Comcast Corporation

Comcast (Nasdaq: CMCSA, CMCSK) is a Fortune 50 corporation that is a global media and technology company with two primary businesses, Comcast Cable and NBCUniversal. Through Comcast's predecessors, they have developed, managed and operated cable systems since 1963, and in 2011, acquired control of the businesses of NBCUniversal. Comcast's operations are presented in five reportable business segments:

- **Cable Communications:** Consists of the operations of Comcast Cable, which is the nation's largest provider of video, high-speed Internet and voice services to residential customers under the XFINITY brand, and Comcast also provides these services to businesses.
- **Cable Networks:** Consists primarily of national cable networks, regional sports and news networks, international cable networks, cable television production studio, and related digital media properties.
- **Broadcast Television:** Consists primarily of the NBC and Telemundo broadcast networks, NBC and Telemundo owned local broadcast television stations, broadcast television production operations, and related digital media properties.
- **Filmed Entertainment:** Consists primarily of the operations of Universal Pictures, which produces, acquires, markets and distributes filmed entertainment worldwide.
- **Theme Parks:** Consists primarily of Universal theme parks in Orlando and Hollywood.

Comcast is the largest corporate employer in the Philadelphia region, with over 5,900 employees located in the City and with a total of 13,300 located throughout the Commonwealth. It is also among the largest taxpayers in the City and Commonwealth, paying over \$358 million in taxes and fees in the Commonwealth, with over \$74 million of that amount paid to Philadelphia. .

## 1.3 Significant Growth in Philadelphia over the Past Decade

In 2002, Comcast had 1,500 employees in Philadelphia. In 2004, Econsult Corporation completed a report on the potential economic and fiscal impacts of what eventually became Comcast Center. In that report, it was assumed that Comcast would lease about half of the 1.2 million square feet of office space available within Comcast Center.

Econsult Corporation completed a second report in 2008 estimating the impact of the then newly built Comcast Center and Comcast Corporation’s impact on the City. In fact, by the time Comcast Center opened in 2008, Comcast had grown to the point that it then required almost 95 percent of Comcast Center, an increase in space need of 400,000 to 500,000 square feet. In 2012, Comcast had 5,901 employees in Philadelphia, having grown by almost 300% since 2002 (see Table 1.1).

**Table 1.1 Comcast Jobs Growth in Philadelphia**

2002	2012	2002-2012 % Change
1,500	5,901	+293%

*Source: Comcast Corporation (2013)*

Comcast’s economic impact on Philadelphia and Pennsylvania through its direct expenditures and associated spillover activity has surpassed the growth rates anticipated in the 2008 study, thereby generating significantly greater actual economic impacts than forecasted at that time. In 2008, Econsult calculated that Comcast’s operations would generate \$1.65 billion annually in economic activity (direct and indirect) for Pennsylvania. The economic impact from Comcast’s operations and its spillover activity are triple that amount 5 years later, generating \$5.01 billion in direct and indirect economic activity in Pennsylvania.

Comcast’s growth has led to the plans for building the Comcast Innovation and Technology in Center City Philadelphia with Liberty Property Trust. Such a tower would house Comcast’s expansion as well as allow some existing Comcast employees and operations that are located outside of the City and Commonwealth to be brought into the City and Commonwealth.<sup>3</sup>

#### **1.4 Comcast as a Major Economic Driver for the City and Commonwealth**

In 2004 and 2008, Econsult Corporation analyzed the economic and fiscal impact of upfront construction of Comcast Center and of ongoing operations of Comcast and other office tenants within Comcast Center. As a large multinational corporation, Comcast is not necessarily seen immediately in terms of its economic impacts within the City and Commonwealth economies and its fiscal impacts to the City and Commonwealth governments. However, its growth within the City and Commonwealth has made it a

<sup>3</sup> Comcast would also consolidate much of its existing workforce spread across the City into fewer locations.

positive contributor to the City and Commonwealth economies and to the City and Commonwealth governments.<sup>4</sup>

The **initial construction of the Comcast Center** generated a significant amount of upfront economic activity, created temporary jobs, and produced one-time increases in tax revenues. Similarly, the **construction of the Comcast Innovation and Technology Center** would result in upfront economic and fiscal impacts.

Furthermore, the **annual operations of Comcast** represent a significant amount of ongoing economic activity, support a variety of permanent jobs, and produce continuing increases in various tax bases. These impacts will continue to go up over time as Comcast grows within the City and Commonwealth.

Importantly, these impacts are larger than what is directly attributable to Comcast. Economic activity directly associated with the upfront construction of an office tower and the ongoing operation of a large multinational corporation in turn produces a wide range of **spillover impacts**. Specifically, there are two categories of spillover impacts whose scale and composition can be modeled using standard input-output multiplier data:

1. A portion of wages and salaries paid to employees is in turn spent within the City and Commonwealth economy, generating successive rounds of economic activity and supporting additional employment within the City and Commonwealth.
2. A portion of goods and services procured is fulfilled by City and Commonwealth vendors, representing new demand and supporting new employment within the City and Commonwealth.

Econsult Solutions, Inc. constructed an economic impact model using multiplier data provided by the US Department of Commerce Bureau of Economic Analysis to estimate the scale and composition of spillover impacts generated by construction and operations activity associated with Comcast. It also constructed a fiscal impact model to translate these spillover impacts into their commensurate temporary and permanent expansions in various City and Commonwealth tax bases and therefore into increased tax revenues for the City and Commonwealth governments.<sup>5</sup>

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<sup>4</sup> Throughout the report, the economic impact amounts for the Commonwealth include those for the City, since the City economy is completely located within the Commonwealth economy; the difference between the two amounts represents the economic impact in the parts of the Commonwealth outside of the City. Conversely, fiscal impact amounts for the City and Commonwealth are distinct and non-overlapping, since the City and Commonwealth governments are separate entities.

<sup>5</sup> See Appendix A for additional detail on Econsult Solutions, Inc.'s economic and fiscal impact methodology.

## 1.5 Scope of Report

As Comcast has continued to grow significantly since the opening of Comcast Center in 2008, and as it contemplates the development of the Comcast Innovation and Technology Center to house some of that growth within the City and Commonwealth, it is useful to revisit the role of Comcast and of the proposed Comcast Innovation and Technology Center in generating economic impacts within the City and Commonwealth and in producing tax revenues for the City and Commonwealth governments. Therefore, the purpose of this report is threefold. First, the economic and fiscal impact of Comcast in Philadelphia and Pennsylvania will be estimated (see Section 2). Second, the economic and fiscal impact of the Comcast Innovation and Technology will be estimated (see Section 3). Finally, the fiscal impact from the property values of the Comcast Center, the Comcast Innovation and Technology Center, and the effects on nearby property values will be estimated (see Section 4).

## 2.0 ECONOMIC AND FISCAL IMPACT FROM CURRENT OPERATIONS

### 2.1 Overview

Significant amounts of economic activity are supported by Comcast within the City and Commonwealth economies and a significant amount of tax revenue is directly and indirectly generated by Comcast to the City and Commonwealth governments. The purpose of this section is to articulate **the economic impact of Comcast's current operations within the City and Commonwealth**. This can be expressed not only in terms of jobs supported and tax revenues generated, but also in terms of hotel room nights, civic leadership, supplier and workforce diversity, and charitable contributions.

### 2.2 Direct Expenditures Associated with Current Operations

Based on information provided by Comcast, an estimate was made of the present amount of annual expenditures, annual earnings, and employment directly represented by Comcast operations within the City and Commonwealth (see Table 2.1). It is estimated that Comcast operations directly represents about **\$1.89 billion in expenditures and about 5,900 employees within the City**, and about **\$2.78 billion in expenditures and about 13,300 employees within the Commonwealth**.<sup>6</sup>

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<sup>6</sup> These Commonwealth figures include the City figures.

**Table 2.1 – Estimated Direct Expenditures, Earnings, and Employment Directly Represented by Comcast Corporation Operations within the City of Philadelphia and the Commonwealth of Pennsylvania<sup>7</sup>**

Philadelphia	Direct Payroll (\$M)	Non-Payroll Expenditures (\$M)	Direct Expenditures (\$M)	# Employees <sup>8</sup>
Comcast	\$908.3	\$762.7	\$1,671.0	3,502
Spectacor	\$56.8	\$47.7	\$104.5	2,053
NBCUniversal	\$64.7	\$53.1	\$116.3	346
<b>Total</b>	<b>\$1,029.8</b>	<b>\$863.5</b>	<b>\$1,891.8</b>	<b>5,901</b>
Pennsylvania	Direct Payroll (\$M)	Non-Payroll Expenditures (\$M)	Direct Expenditures (\$M)	# Employees
Comcast	\$1,366.0	\$1,133.4	\$2,499.4	10,133
Spectacor	\$61.4	\$50.9	\$112.3	2,370
NBCUniversal	\$94.3	\$77.0	\$169.8	817
<b>Total</b>	<b>\$1,521.7</b>	<b>\$1,261.3</b>	<b>\$2,781.5</b>	<b>13,320</b>

Source: Comcast Corporation (2013), Econsult Solutions, Inc. (2013)

### 2.3 Economic Impact from Current Operations

This amount of activity in turn supports additional spillover activity, resulting in a significant amount of economic impact within the City and Commonwealth (see Table 2.2). Within the City, the combined direct and spillover activity yields **an annual expenditure impact of \$2.69 billion, supporting 13,000 jobs and \$1.90 billion in earnings.** Within the Commonwealth, there is **an annual expenditure impact of \$5.01 billion, supporting 43,800 jobs and \$3.69 billion in earnings.**

<sup>7</sup> Throughout the report, some totals may not sum exactly due to rounding.

<sup>8</sup> Employee totals include 1,800 part-time Spectacor employees in Philadelphia for a total of 2,200 part-time Spectacor employees in the Commonwealth.

**Table 2.2 – Annual Economic Impact Generated by Current Operations of Comcast Corporation within the City of Philadelphia and the Commonwealth of Pennsylvania**

Economic Impact from Current Operations of Comcast Corporation	Within the City of Philadelphia Economy	Within the Commonwealth of Pennsylvania Economy
Direct Output (\$B)	\$1.89	\$2.78
Indirect & Induced Output (\$B)	\$0.80	\$2.23
<b>Total Output (\$B)</b>	<b>\$2.69</b>	<b>\$5.01</b>
<b>Total Employment (Jobs)</b>	<b>13,050</b>	<b>43,768</b>
<b>Total Earnings (\$B)</b>	<b>\$1.90</b>	<b>\$3.69</b>

*Source: Comcast Corporation (2013), US Department of Commerce (2011), Econsult Solutions, Inc. (2013)*

## 2.4 Fiscal Impact from Current Operations

This permanent expansion in economic activity, from the current operations of Comcast and from the spillover activity it supports, in turn produces annual tax revenue gains for the City and Commonwealth (see Table 2.3). Comcast directly pays Philadelphia and the Commonwealth a total of \$358 million in tax and fee revenue every year. With the spillover activity in the region from Comcast’s activity included, it is estimated that the City receives a total of **\$130.7 million per year in local taxes and fees** and the Commonwealth receives **\$404.7 million per year in state taxes and fees.**

**Table 2.3 – Annual Fiscal Impact (Direct and Indirect) Generated by Current Operations of Comcast Corporation within the City of Philadelphia and the Commonwealth of Pennsylvania**

Fiscal Impact from Current Operations of Comcast Corporation	To the City of Philadelphia Government	To the Commonwealth of Pennsylvania Government <sup>9</sup>
Income Tax Revenues (\$M)	\$71.7	\$126.6
Sales Tax Revenues (\$M)	\$9.2	\$46.1
Business Tax Revenues (\$M)	\$9.9	\$35.5
Franchise Fees/Telecom Tax Revenues (\$M)	\$32.6	\$171.2
Miscellaneous Tax Revenues (\$M)	\$7.3	\$25.3
<b>Total Tax Revenues (\$M)</b>	<b>\$130.7</b>	<b>\$404.7</b>

Source: Comcast Corporation (2013), US Department of Commerce (2011), Econsult Solutions, Inc. (2013)

## 2.5 Economic and Fiscal Impact from Hotel Room Nights Generated by Out-of-Town Employees, Directors, Partners, Vendors, and Clients

Not generally recognized is the economic impact of Comcast’s business meetings in Philadelphia. Comcast is a significant generator of hotel room nights in the City and Commonwealth. Over the 18-month period from January 2012 to June 2013, out-of-town employees, directors, partners, vendors, and clients represented about \$4.5 million in hotel room bills. Annualizing these amounts, and adding in estimates for additional spending in other categories besides accommodations, it is estimated that this facet of Comcast’s contribution to the City and Commonwealth economy is worth about \$5.2 million in expenditures per year.

This in turn supports additional spillover impacts throughout the City and Commonwealth. Within the City, there is **an annual expenditure impact of \$8.2 million, supporting 60 jobs and generating \$391,000 in local tax revenues including \$256,000 in hotel tax revenue.** Within the Commonwealth, there is **an annual expenditure impact of \$10.9 million, supporting 110 jobs and generating \$328,000 in state tax revenues.**

<sup>9</sup> Commonwealth tax revenue amounts include those amounts generated to non-Philadelphia localities within the Commonwealth.

## 2.6 Civic Leadership Provided by Executive Team

An important but often overlooked local benefit of a major headquarters location is the availability of the firm and its executive team members to contribute to various civic and charitable causes. In this regard, Comcast is a positive contributor to communities throughout the City, Commonwealth, and nation:

1. Since 2001, Comcast has made \$159 million in cash and in-kind contributions to a wide range of non-profit organizations, including the provision of in-kind resources (courtesy video, broadband, and phone services) to schools, libraries, and non-profits in Philadelphia.
2. Comcast partners with such community-serving organizations as Asian American Justice Center, Big Brothers Big Sisters of Southeastern Pennsylvania, Boys & Girls Clubs of Philadelphia, City Year Greater Philadelphia, National Council of La Raza, The Urban League of Philadelphia, and Teach for America – Greater Philadelphia.
3. Comcast has the third largest United Way campaign in Philadelphia.
4. Comcast's Internet Essentials program has provided low cost internet service and free training to more than 20,000 low income Philadelphians.
5. The location of Comcast's headquarters in Philadelphia has proven extremely valuable to Philadelphia non-profits as senior executives devote their time, talent, and expertise to those missions. Comcast executives serve on more than 100 non-profit and civic boards in the greater Philadelphia region giving back to their community. Representative boards include: United Way of Greater Philadelphia and Southern New Jersey, Greater Philadelphia Chamber of Commerce, YMCA, The Urban League of Philadelphia, Greater Philadelphia Hispanic Chamber of Commerce, The Children's Hospital of Philadelphia, and University of Pennsylvania.

## 2.7 Local Economic Opportunities Represented by Supplier Diversity and Workforce Diversity Initiatives

Another important but often overlooked local benefit of a major headquarters location is the economic opportunity represented by the firm's procurement and employment opportunities. Comcast's commitment to workforce diversity and supplier diversity begins with its board of directors, which is one-third minority or female. It is also reflected in the \$116 million it directed in contracts from 2008-2012 with minority-owned, women-owned, and veteran-owned business enterprises of which over \$18 million is from 2012 contracts. In recent years, Comcast has paid particular attention to increasing its

spending to minority-owned communications firms; Grupo Gallegos is now its primary advertising agency for Hispanic markets and Burrell Communications is now its primary advertising agency for African-American markets.

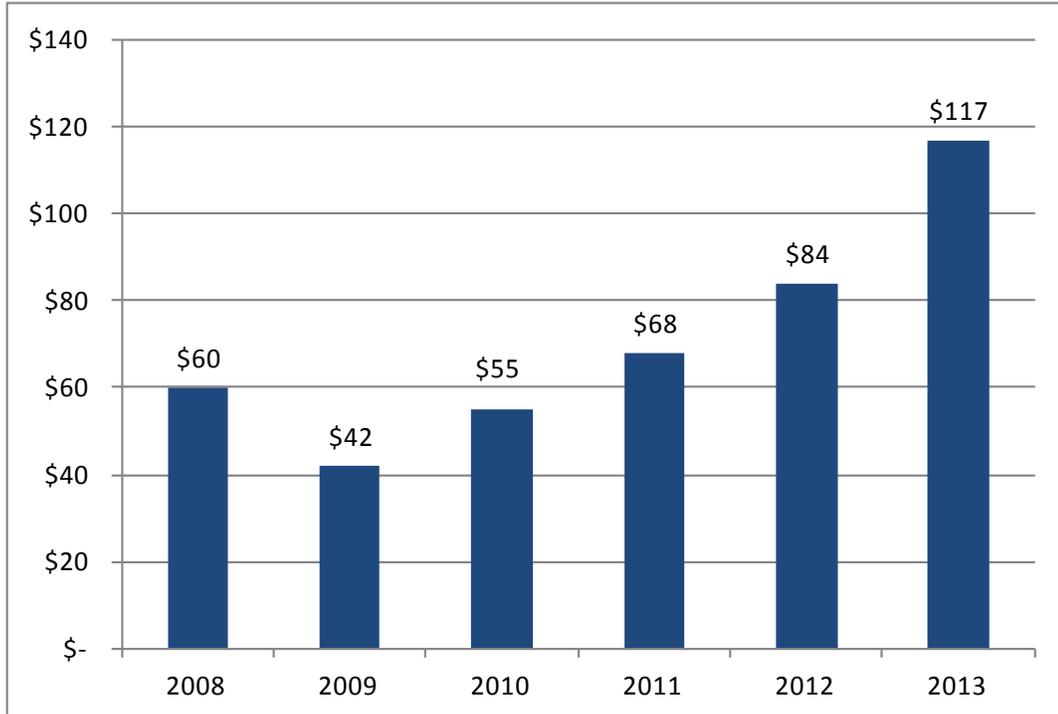
Comcast is also laying the foundation for increasing diversity in the workplace. In 2011, it provided support to 75 organizations offering fellowship, internship, and scholarship programs.

## 2.8 Significant Growth

An important and overarching consideration in this review of the economic impact of Comcast's current operations is that Comcast is expanding rapidly which increases its economic footprint within the City and Commonwealth. In the past five years, Comcast has almost doubled in market capitalization (from \$60 billion as of July 31, 2008 to \$117 billion as of July 31, 2013) and in worldwide annual revenue (from \$34 billion in 2008 to \$63 billion in 2012) (see Figure 2.1 and Figure 2.2).

As Comcast continues to grow, so will its economic and fiscal impact within the City and Commonwealth. Because of the global nature of Comcast's business footprint, these increases in economic and fiscal impact will likely be larger than the proportionate increase in the size of Comcast, as Comcast's headquarters presence in the City and Commonwealth draws an increasingly large and geographically vast amount of economic activity from outside the City and Commonwealth.

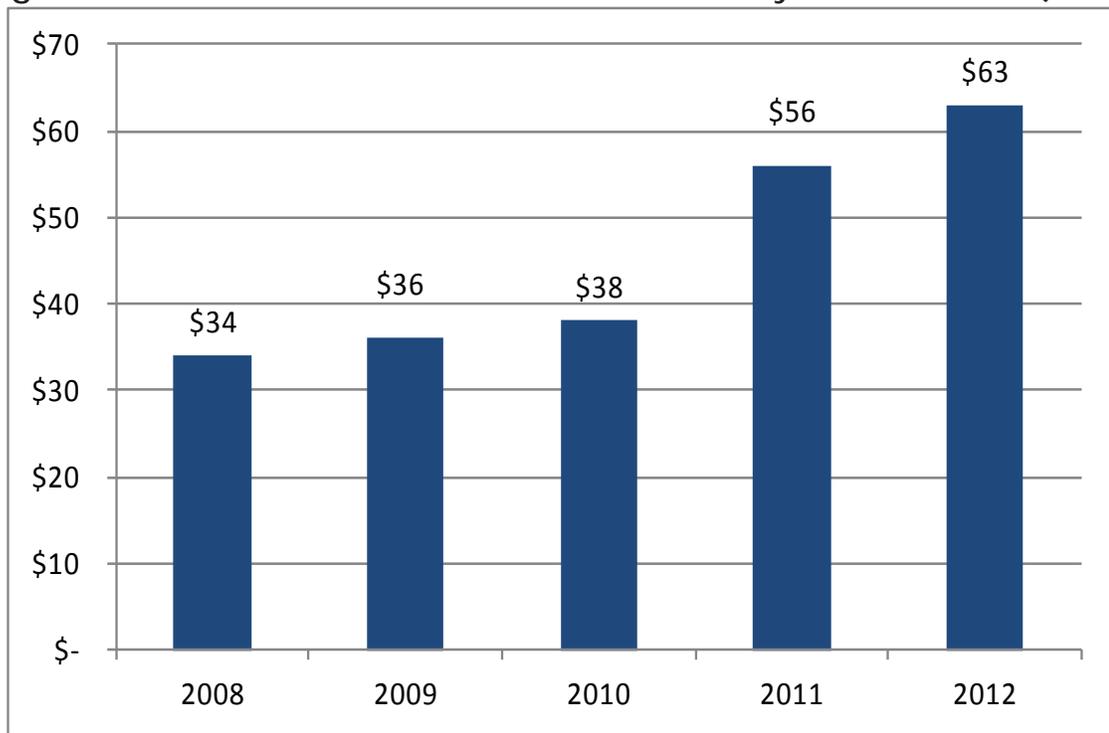
**Figure 2.1 – Comcast Market Capitalization as of July 31 of Each Year (in \$B)<sup>10</sup>**



Source: YCharts (2013), Econsult Solutions, Inc. (2013)

<sup>10</sup> As of 1/13/14, Comcast's Market Capitalization is almost \$140B

**Figure 2.2 – Comcast Worldwide Annual Revenue by Calendar Year (in \$B)**



Source: YCharts (2013), Econsult Solutions, Inc. (2013)

### 3.0 ECONOMIC AND FISCAL IMPACT FROM THE COMCAST INNOVATION AND TECHNOLOGY CENTER

#### 3.1 Overview

The Comcast Innovation and Technology Center could generate three sets of economic and fiscal impacts for the City and Commonwealth. First, its **construction** would represent a significant amount of upfront activity, which would support temporary jobs and generate one-time tax revenues. Second, Comcast’s expansion into this development would represent a significant amount of **ongoing operational activity**, which would support permanent jobs and generate annual tax revenues. Third, the **5-star hotel, restaurant, and retail** components of Comcast Innovation and Technology Center would represent a significant amount of operating expenditures and visitor spending within the City and Commonwealth, supporting additional jobs and generating additional tax revenues. With respect to the construction component, we take into consideration the possible development time frame and when the future components may be available. Conversely, our analyses and estimates reflect constant 2013 dollars (2013\$).

#### 3.2 Economic and Fiscal Impact from Upfront Construction of the Comcast Innovation and Technology Center

The Comcast Innovation and Technology Center would represent a large amount of upfront construction activity, which would in turn support a significant amount of spillover activity, producing one-time increases in economic activity and in tax revenues. Proposed project costs are estimated to be \$907 million with Comcast investing an additional \$280 million in tenant improvements, for **a total upfront construction outlay of approximately \$1.2 billion** (see Table 3.1).<sup>11</sup>

Table 3.1 – Upfront Construction Expenditures Associated with the Comcast Innovation and Technology Center

Cost Type	Amount (\$M)
Construction Project Costs	\$907
Tenant Improvements by Comcast	\$280
<b>Total</b>	<b>\$1,187</b>

<sup>11</sup> Construction and tenant improvement expenditures are tentative and dependent on the final design of the project.

Source: Comcast Corporation (2013), Econsult Solutions, Inc. (2013)

These expenditures would in turn support significant additional spillover impacts throughout the City and Commonwealth (see Table 3.2). Within the City, there would be a **one-time expenditure impact of \$1.73 billion, supporting 6,300 jobs and \$293.9 million in earnings**. Within the Commonwealth, there would be a **one-time expenditure impact of \$2.75 billion, supporting 20,670 jobs and \$913.7 million in earnings**.

Table 3.2 – One-Time Economic Impact Generated by Upfront Construction of the Comcast Innovation and Technology Center

Economic Impact from Upfront Construction	Within the City of Philadelphia Economy	Within the Commonwealth of Pennsylvania Economy
Direct Output (\$M)	\$1,187	\$1,187
Indirect & Induced Output (\$M)	\$538	\$1,558
<b>Total Output (\$M)</b>	<b>\$1,725</b>	<b>\$ 2,745</b>
<b>Total Employment (Jobs)</b>	<b>6,319</b>	<b>20,665</b>
<b>Total Earnings (\$M)</b>	<b>\$294</b>	<b>\$914</b>

Source: Comcast Corporation (2013), US Department of Commerce (2011), Econsult Solutions, Inc. (2013)

This temporary expansion in economic activity, from upfront construction of the Comcast Innovation and Technology Center and from the spillover activity it supports, would in turn produce one-time tax revenue gains for the City and Commonwealth (see Table 3.3). It is estimated that the City would receive **\$16.2 million in local taxes** and the Commonwealth would receive **\$66.7 million in state taxes** as a result of upfront construction of Comcast Innovation and Technology Center.

It is expected that the Commonwealth will make a \$30 million investment in public infrastructure support in connection with the Comcast Innovation and Technology Center. The \$30 million will be recovered in full from the tax revenues generated during the construction of the expansion development. Additionally, the Commonwealth will receive an additional \$36 million in tax revenues after the investment has been recouped.

**Table 3.3 – One-Time Fiscal Impact (Direct and Indirect) Generated by Upfront Construction of the Comcast Innovation and Technology Center**

Fiscal Impact from Upfront Construction	To the City of Philadelphia Government	To the Commonwealth of Pennsylvania Government
Income Tax Revenues (\$M)	\$11.1	\$16.6
Sales Tax Revenues (\$M)	\$2.0	\$44.8
Business Tax Revenues (\$M)	\$3.1	\$5.3
<b>Total Tax Revenues (\$M)</b>	<b>\$16.2</b>	<b>\$66.7</b>

Source: Comcast Corporation (2013), US Department of Commerce (2011), Econsult Solutions, Inc. (2013)

### 3.3 Economic and Fiscal Impact from Ongoing Operations of the Office Component of the Comcast Innovation and Technology Center

The Comcast Innovation and Technology Center would also represent a large amount of ongoing operating activity, which would in turn support a significant amount of spillover activity, producing annual increases in economic activity and in tax revenues. Specifically, the development would house Comcast operations as well as a 5-star luxury hotel, restaurant, and retail components (see Table 3.4).

**Table 3.4 – Potential Uses by Rentable Square Footage within the Comcast Innovation and Technology Center**

Use	RSF
Office	1,284,832
Retail	2,682
5-Star Hotel	265,088
<b>Total</b>	<b>1,552,602</b>

Source: Comcast Corporation (2013), Econsult Solutions, Inc. (2013)

Given that Comcast's occupancy in the Comcast Innovation and Technology Center is similar in size and distribution as its occupancy in Comcast Center, estimates of expenditures, employees, and earnings associated with the Comcast component of the Comcast Innovation and Technology Center were made by assuming relatively similar

proportions.<sup>12</sup> It is estimated that about 40 percent of the Comcast personnel that would occupy the Comcast Innovation and Technology Center would be internally shifted from office space currently occupied in Philadelphia. Therefore, it assumed that roughly 60 percent of the activity within the proposed expansion development would be net new to Philadelphia and Pennsylvania.<sup>13</sup>

This amount of activity was then modeled in terms of its economic impact (direct and indirect) within the City and Commonwealth (see Table 3.5). Within the City, there would be **an additional annual expenditure impact of \$661 million, supporting 2,500 jobs and \$324.0 million in earnings.** Within the Commonwealth, there would be **an additional annual expenditure impact of \$971 million, supporting 3,557 jobs and \$425.0 million in earnings.** These amounts reflect only Comcast’s net new portion and its related spillover activity of the Comcast Innovation and Technology Center; the hotel and retail portions are addressed separately later in this section.

**Table 3.5 – Net New Annual Economic Impact Generated by Ongoing Operations of Office Component of the Comcast Innovation and Technology Center (in 2013\$)**

Economic Impact from Net New Ongoing Operations (Office Component Only)	Within the City of Philadelphia Economy	Within the Commonwealth of Pennsylvania Economy
Direct Output (\$M)	\$465	\$465
Indirect & Induced Output (\$M)	\$196	\$506
<b>Total Output (\$M)</b>	<b>\$661</b>	<b>\$971</b>
<b>Total Employment (Jobs)</b>	<b>2,491</b>	<b>3,557</b>
<b>Total Earnings (\$M)</b>	<b>\$324</b>	<b>\$425</b>

Source: Comcast Corporation (2013), US Department of Commerce (2011), Econsult Solutions, Inc. (2013)

This permanent proposed expansion in economic activity, from ongoing operations of the Comcast office component and from the spillover activity it supports, would in turn

<sup>12</sup> As needed, industry ratios were used to validate and strengthen these assumptions. One adjustment that was made for the Comcast Innovation and Technology Center was to utilize a per-employee annual salary average based not on all employees located within Comcast Center, but on all but the 30 highest-paid employees located within Comcast Center (i.e. those making less than \$2.5 million per year), since it was assumed that those employees would remain in Comcast Center. This approach ensures that the per-employee annual salary average is not too high.

<sup>13</sup> See Appendix B for the gross economic and fiscal impact from the Comcast Innovation and Technology Center (i.e. the total impact, not excluding that which will be shifting internally from within Philadelphia and Pennsylvania).

produce annual tax revenue gains for the City and Commonwealth (see Table 3.6). It is estimated that the City would receive **\$17.9 million more per year in local taxes** and the Commonwealth would receive **\$28.2 million more per year in state taxes** as a result of ongoing operations of the office component of the Comcast Innovation and Technology Center.

**Table 3.6 – Net New Annual Fiscal Impact (Direct and Indirect) Generated by Ongoing Operations of Office Component of the Comcast Innovation and Technology Center (in 2013\$)**

Fiscal Impact from Net New Ongoing Operations (Office Component Only)	To the City of Philadelphia Government	To the Commonwealth of Pennsylvania Government
Income Tax Revenues (\$M)	\$12.25	\$7.71
Sales Tax Revenues (\$M)	\$2.25	\$18.35
Business Tax Revenues (\$M)	\$3.37	\$2.16
<b>Total Tax Revenues (\$M)</b>	<b>\$17.87</b>	<b>\$28.22</b>

Source: Comcast Corporation (2013), US Department of Commerce (2011), Econsult Solutions, Inc. (2013)

### 3.4 Economic and Fiscal Impact from Hotel and Retail Components of the Comcast Innovation and Technology Center

In addition to Comcast’s office component, the Comcast Innovation and Technology Center will also contain a 5-star luxury hotel with 200-plus rooms, restaurants, as well as about 2,700 square feet of retail space. These components would support economic activity and employment as well as draw in visitor spending to the City and Commonwealth.

Direct expenditures, employees, and earnings represented by the hotel and retail components were derived by applying industry ratios to the square footage amounts associated with each component. A similar approach was employed to estimate the visitor spending represented by out-of-town guests that would be brought into the City and Commonwealth by the hotel.<sup>14</sup>

This amount of activity was then modeled in terms of its economic impact (direct and indirect) within the City and Commonwealth (see Table 3.7). Within the City, there would

<sup>14</sup> These industry ratios were obtained from the following sources: Smith Travel Research, US General Services Administration, and bizstats.com. See Appendix C for additional detail on hotel and retail activity in the proposed expansion development.

be **an annual expenditure impact of \$60 million, supporting 310 jobs and \$15 million in earnings**. Within the Commonwealth, there would be **an annual expenditure impact of \$79 million, supporting 410 jobs and \$22 million in earnings**. These amounts reflect only the hotel and retail portions of the Comcast Innovation and Technology Center.

Table 3.7 – Annual Economic Impact Generated by Ongoing Operations of the Hotel and Retail Components of the Comcast Innovation and Technology Center  
 (in 2013\$)

Economic Impact from Ongoing Operations (Hotel and Retail Components Only)	Within the City of Philadelphia Economy	Within the Commonwealth of Pennsylvania Economy
Direct Output (\$M)	\$38	\$38
Indirect & Induced Output (\$M)	\$22	\$41
<b>Total Output (\$M)</b>	<b>\$60</b>	<b>\$79</b>
<b>Total Employment (Jobs)</b>	<b>307</b>	<b>412</b>
<b>Total Earnings (\$M)</b>	<b>\$15</b>	<b>\$22</b>

Source: Comcast Corporation (2013), US Department of Commerce (2011), Econsult Solutions, Inc. (2013)

This proposed permanent expansion in economic activity, from ongoing operations of the hotel and retail components of the Comcast Innovation and Technology Center and from the spillover activity it supports, would in turn produce annual tax revenue gains for the City and Commonwealth (see Table 3.8). It is estimated that the City would receive **\$3.7 million per year in local taxes** and the Commonwealth would receive **\$2.5 million per year in state taxes** as a result of ongoing operations of the hotel and retail components of the Comcast Innovation and Technology Center

**Table 3.8 – Annual Fiscal Impact (Direct and Indirect) Generated by Ongoing Operations of the Hotel and Retail Components of the Comcast Innovation and Technology Center (in 2013\$)**

Fiscal Impact from Ongoing Operations (Hotel and Retail Components Only)	To the City of Philadelphia Government	To the Commonwealth of Pennsylvania Government
Income Tax Revenues (\$M)	\$0.56	\$0.40
Sales Tax Revenues (\$M)	\$0.62	\$1.90
Business Tax Revenues (\$M)	\$0.15	\$0.16
Hotel Tax Revenues (\$M)	\$2.12	N/A
Liquor Tax (\$M)	\$0.20	N/A
<b>Total Tax Revenues (\$M)</b>	<b>\$3.65</b>	<b>\$2.46</b>

Source: Comcast Corporation (2013), US Department of Commerce (2011), Econsult Solutions, Inc. (2013)

Combining the estimated annual impacts from the Comcast, hotel, and retail components results in a very large amount of possible net new economic activity and tax revenue generation within the City and Commonwealth (see Table 3.9 and Table 3.10). Within the City, the Comcast Innovation and Technology Center and its spillover activity would generate an increase of **\$721 million in expenditures, supporting 2,800 jobs and \$339 million in earnings and producing \$21.5 million more in local tax revenues.** Within the Commonwealth, the Comcast Innovation and Technology Center would generate an increase of **\$1.05 billion in expenditures, supporting 4,000 jobs and \$447 million in earnings and producing \$30.7 million more in state tax revenues.**

**Table 3.9 – Annual Economic Impact Generated by Ongoing Operations of the Office, Hotel, and Retail Components of the Comcast Innovation and Technology Center (in 2013\$)**

Economic Impact from Net New Ongoing Operations (Office, Hotel, and Retail Components)	Within the City of Philadelphia Economy	Within the Commonwealth of Pennsylvania Economy
Direct Output (\$M)	\$503	\$503
Indirect & Induced Output (\$M)	\$218	\$547
<b>Total Output (\$M)</b>	<b>\$721</b>	<b>\$1,050</b>
<b>Total Employment (Jobs)</b>	<b>2,798</b>	<b>3,969</b>
<b>Total Earnings (\$M)</b>	<b>\$339</b>	<b>\$447</b>

Source: Comcast Corporation (2013), US Department of Commerce (2011), Econsult Solutions, Inc. (2013)

**Table 3.10 – Annual Fiscal Impact (Direct and Indirect) Generated by Ongoing Operations of the Office, Hotel, and Retail Components of the Comcast Innovation and Technology Center (in 2013\$)**

Fiscal Impact from Net New Ongoing Operations (Office, Hotel, and Retail Components)	To the City of Philadelphia Government	To the Commonwealth of Pennsylvania Government
Income Tax Revenues (\$M)	\$12.81	\$8.11
Sales Tax Revenues (\$M)	\$2.87	\$20.25
Business Tax Revenues (\$M)	\$3.52	\$2.32
Hotel Tax Revenues (\$M)	\$2.12	N/A
Liquor Tax (\$M)	\$0.20	N/A
<b>Total Tax Revenues (\$M)</b>	<b>\$21.52</b>	<b>\$30.68</b>

Source: Comcast Corporation (2013), US Department of Commerce (2011), Econsult Solutions, Inc. (2013)

## 4.0 PROPERTY VALUE IMPACTS

### 4.1 Direct Property Value Impact

Comcast Corporation leases a significant amount of property in Philadelphia including the Comcast Center and the soon to be Comcast Innovation and Technology Center. At its 2013 assessed value, the **School District receives \$3.1 million in Use & Occupancy (U&O)** tax from Comcast's leased properties in the City, \$2.3 million of which was for the Comcast Center alone.

The Comcast Innovation and Technology Center would also represent a significant addition to the property tax base and the U&O tax base, with attendant gains to the City and the School District of Philadelphia each year. While no estimate of the assessed value of the Comcast Innovation and Technology Center is yet available, if it is assumed to be equal to that of the Comcast Center plus an increase proportional to its increase in square footage, 11%, then once construction is complete and with full occupancy, it could immediately yield an additional **\$2.2 M annually for the School District** from the Use and Occupancy tax.<sup>15</sup>

The School District will see continued increases in their tax revenues once the Comcast Center and the Comcast Innovation and Technology Center roll off of the ten year tax abatement. At its 2013 assessed value, the Comcast Center will generate **\$2.9 million annually in real estate taxes** with \$1.6 million going to the School District and \$1.3 million to the City. The Comcast Innovation and Technology Center could generate an estimated **\$3.2 million annually in real estate taxes** with \$1.8 million going to the School District and \$1.4 million to the City.

### 4.2 Comcast Employee Impact

Just as Comcast has made Philadelphia its headquarters and home, so do many of its employees. Comcast Corporation employees several thousand people in their Philadelphia offices many of whom live in the city as well (see Table 4.1).

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<sup>15</sup> For the purpose of this report it is assumed that the assessed value of the Comcast Innovation and Technology Center will be \$236 million or 11% more than the Comcast Center, equal to the increase in square footage. The Use and Occupancy tax is calculated from the \$236 million with the proportion of hotel square footage removed (hotels are excluded from the Use and Occupancy tax). The final assessed value of the Comcast Innovation and Technology Center could be higher or lower based on final design, occupancy, and use.

**Table 4.1 – The Number of Comcast Employees who Live in Philadelphia and Their Average Salaries (in 2013\$)**

Comcast Employees who Live in Philadelphia	# of Employees	Average Salary
Work at any Comcast Location	2,314	\$69,994
Work in Philadelphia	1,547	\$82,164
Work at Headquarters	1,075	\$101,392

Source: Comcast Corporation (2013)

Comcast’s employees who call Philadelphia home, also contribute to Comcast’s economic and fiscal impact in the City, most of which is captured in Section 2 of the report. Not shown there is the amount of real estate tax attributable to Comcast’s employees who live in Philadelphia. When estimating the magnitude of the real estate tax impact from Comcast employees who both live and work in Philadelphia, it can be assumed that the average house value owned is double the median house value which is in direct proportion to the salaries of Comcast employees as compared to Philadelphia’s median household income. It was also assumed that there would be a higher level of home ownership than the Philadelphia average.<sup>16</sup> In total, Comcast employees currently represent about **\$8.5 million in annual Real Estate taxes** (see Table 4.2).<sup>17</sup>

**Table 4.2 – Current Estimated Real Estate Taxes Generated by Comcast Employees Who Live in the City (in 2013\$)**

# of Employees	City Portion (\$M)	School District Portion (\$M)	Total (\$M)
2,314	\$3.8	\$4.7	\$8.5

Source: Comcast Corporation (2013)

The Comcast Innovation and Technology Center will create 1,500 new jobs. Assuming the same proportion of employees will choose to live in the City as do currently, and the same type of household and housing value, new employees will generate an estimated additional **\$2.2 million annually in Real Estate taxes** (see Table 4.3).<sup>18</sup>

<sup>16</sup> US Census Bureau, Quick Facts: Philadelphia’s home ownership rate is 54%, the median value of owner occupied houses is \$142,300, and the median household income is \$37,016 <http://quickfacts.census.gov/qfd/states/42/4260000.html>. A 75% home ownership rate was assumed for \$300,000 homes.

<sup>17</sup> Includes real estate taxes from City homes valued at \$200,000 rented by Comcast employees using 2014 real estate tax rates.

<sup>18</sup> Assumes current house values and tax rates (in 2013\$).

**Table 4.3 –Estimated Real Estate Taxes Generated by Future Comcast Employees Who Will Live in the City (in 2013\$)<sup>19</sup>**

# of Employees	City Portion (\$M)	School District Portion (\$M)	Total (\$M)
600	\$1	\$1.2	\$2.2

*Source: Comcast Corporation (2013)*

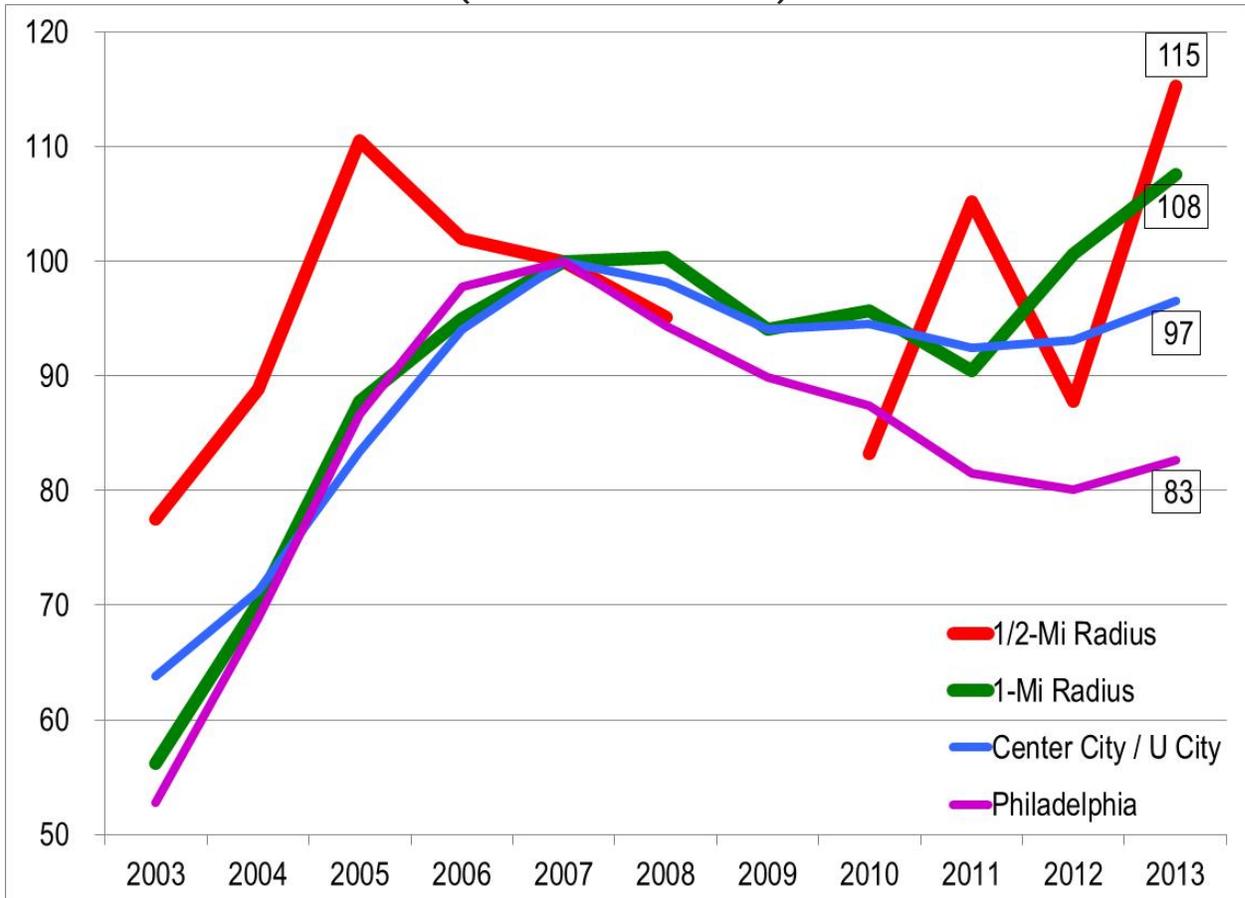
### 4.3 Property Value Impact to Nearby Residential Neighborhoods

The presence of the Comcast Center at its particular location in Center City Philadelphia has also **increased property values in its immediate neighborhood, resulting in wealth gains for homeowners and increased property tax revenues for the City and for the School District of Philadelphia.** In other words, the presence of the Comcast Center and the street-level enhancements it represents is an amenity that confers a premium on residential locations that are near it.

One way of understanding the magnitude of that premium is to see how home prices have behaved since the introduction of the Comcast Center in 2008. Home price indexes were produced for the area within a half-mile and mile from Comcast Center and compared against home price indexes for Center City and University City and for Philadelphia as a whole. They indicate that since 2007, which coincides with the peak of the most recent housing boom, homes within a half-mile of Comcast Center have grown by 15 percent, and homes within a mile of Comcast Center have grown by 8 percent, compared with -3 percent for homes in Center City and University City and -17 percent for homes in Philadelphia (see Figure 4.1).

<sup>19</sup> Beginning in 2017 when the Comcast Innovation and Technology Center opens.

**Figure 4.1 – Home Price Index for the Area near the Comcast Center, Compared to Center City and University City and to Philadelphia as a Whole  
 (Indexed: 2007 = 100)<sup>20</sup>**



Source: City of Philadelphia (2013), Econsult Solutions, Inc. (2013)

While these positive differences are not necessarily completely attributable to proximity to Comcast Center, they do indicate that proximity to the Comcast Center does mean something in terms of higher residential property values, with implications for individual property owners and for the City and School District (see Table 4.4). If the presence of the Comcast Center has meant an additional 5 to 10 percent in property value to homes within a mile of the Comcast Center, and the data indicate that the premium is likely at least this large, this would be a significant wealth gain for homeowners, on the order of \$400 million to \$800 million. And, if such a property value increase were properly accounted for in property assessments, this would represent a significant increase in

<sup>20</sup> 2009 is excluded for the house price index for the area within a half-mile of Comcast Center because there were less than 10 sales that year. See Appendix D for additional detail on house values for the area near Comcast Center.

**annual property tax revenues to the City and School District, on the order of \$5 million to \$10 million per year.**

It can also be assumed that the new Comcast Innovation and Technology Center will have some impact on neighboring property values. The potential increase in property value is unknown, but it is assumed to be less than that of the Comcast Center’s impact, due to the clustering in an area that was improved upon so much already. This additional positive impact will mean even greater real estate revenues to the City and School District.

**Table 4.4 – Wealth Gain and Annual Property Tax Revenue Gain Associated with a 5 to 10 Percent Premium Conferred on Nearby Houses by Proximity to the Comcast Center (in 2013\$)**

Within	# Properties	Average Value	+5% in Aggregate Property Value (\$M)	+10% in Aggregate Property Value (\$M)	Property Tax Revenues to City and School District (\$M)
1 Mile	19,810	\$405,808	\$402	\$804	\$5.39 - \$10.77

Source: City of Philadelphia (2013), Econsult Solutions, Inc. (2013)

**4.4 Spillover Commercial Development**

The presence of Comcast in Center City Philadelphia generates a more localized benefit on the immediate neighborhood around the Comcast Center, with additional benefits for the City and Commonwealth. Two categories of impacts are considered in this report, one in this sub-section and one in the ensuing sub-section.

First, the presence of the Comcast Center at its particular location in Center City Philadelphia has **catalyzed significant commercial investment nearby**. While some of this activity stems from the renaissance of urban downtowns in general and of Center City Philadelphia in particular, some of it stems from the Comcast Center’s presence and from the physical and psychological investment that it represents as well as from the street-level enhancements that improve the overall area. Since 2003, there has been at least **7.7 million square feet of new investment (new construction and major renovation) near the Comcast Center, totaling about \$1.50 billion in investment in Center City Philadelphia** (see Table 4.5).

**Table 4.5 – New Construction and Major Renovation near the Comcast Center from 2003 to Q1 2013<sup>21</sup>**

	Space (SF)	Value
New Construction	4,100,000	\$700,000,000
Major Renovation	3,600,000	\$800,000,000
<b>Total</b>	<b>7,700,000</b>	<b>\$1,500,000,000</b>
Private	5,400,000	\$1,000,000,000
Public	2,300,000	\$500,000,000
<b>Total</b>	<b>7,700,000</b>	<b>\$1,500,000,000</b>
Office	1,400,000	\$200,000,000
Other	6,300,000	\$1,300,000,000
<b>Total</b>	<b>7,700,000</b>	<b>\$1,500,000,000</b>

Source: Reed Construction Data (2013), Econsult Solutions, Inc. (2013)

#### 4.5 Continued Effects on Local Commercial Real Estate Market

The addition of a significant amount of new commercial space can raise concerns of oversupply. However, such a perspective misunderstands both the fundamentals of downtown office markets and the context behind this particular development opportunity.

To begin with, Center City Philadelphia currently has about 44 million square feet of Class A, B, and C office space. Office space deteriorates over time, requiring either major renovation or conversion to other uses. Even assuming a relatively lengthy 40-year depreciation cycle (in reality, Class A office space would need to be refreshed or replaced much more frequently in order to attract tenants seeking Class A office space), this means that **about 1 million square feet of new or renovated office space must be added each year simply to maintain current levels of commercial office activity.**

In fact, over the past 15+ years, there have been only two major additions in Class A office space: Cira Centre in 2005 (732,000 SF) and Comcast Center in 2008 (1.25 million SF). Combined with other, smaller projects, such as 3711 Market and 800 Walnut, there has been far less than 3 million square feet of new office space over a time period in which over five times that amount was needed simply to replenish aging commercial office inventory. In other words, irrespective of whether it is filled by new demand or by

<sup>21</sup> "Near" = within zip codes 19102, 19103, and 19107. These amounts do not include Comcast Center itself. See Appendix E for additional detail on new construction and major renovation near Comcast Center from 2003 to Q1 2013.

an internal shifting of existing demand, new office space needs to be regularly added to an office market.

In fact, the market represented by the level of office space proposed in Comcast Innovation and Technology Center is very tight, suggesting that this particular introduction of new office space **will not result in an oversupply of office space.** Comcast Innovation and Technology Center will be considered a “trophy property,” in that it represents the top tier of its property class. In Center City Philadelphia, Comcast Center, Cira Centre, One Liberty, Two Liberty, Three Logan, and BNY Mellon Center are considered “trophy” office properties. Collectively, vacancy in these properties is 5.1 percent (down from 29.2 percent in 2005) with full service gross rent at \$37.05 per square foot (up from \$27.55 per square foot in 2005).<sup>22</sup>

Since the Comcast Innovation and Technology Center would not be completed for a couple of years from now, office demand will have grown by nearly 750,000 square feet if the typical Center City absorption of 250,000 - 300,000 square feet per year continues<sup>23</sup>. A significant part of that growth has been, and will continue to be, due to Comcast’s remarkable expansion. In addition, Comcast intends to move NBC10 / Telemundo (96,000 SF) into the Comcast Innovation and Technology Center from its current Bala Cynwyd location, further strengthening Center City demand.

#### 4.6 Total Tax Gain to the City and School District

The City and School District realize and will continue to see significant gains in tax revenue from Real Estate tax and Use and Occupancy tax on an annual basis from Comcast Center, the construction of the Comcast Innovation and Technology Center, and their impacts on neighboring property values. These direct and indirect property tax revenues generated by the presence of Comcast are estimated to have a total annual fiscal impact up to \$12.3 million for the City and \$20.5 million for the School District for a potential **total annual fiscal impact of up to \$32.8 million** generated in year 2027 (see Table 4.6 and see Figure 4.2).<sup>24</sup>

<sup>22</sup> “Philadelphia CBD Office Market 2013 Forecast,” Newmark Grubb Knight Frank (December 27, 2012).

<sup>23</sup> Office market net absorption is cyclical responding to larger economic trends. To smooth out its cyclical nature, net absorption was calculated for the time period from 2005-2012 and for historical reference, from 1985-2005. Both show average annual Center City net absorption rates of 250,000-300,000 square feet according to “Philadelphia CBD Office Market 2013 Forecast.”

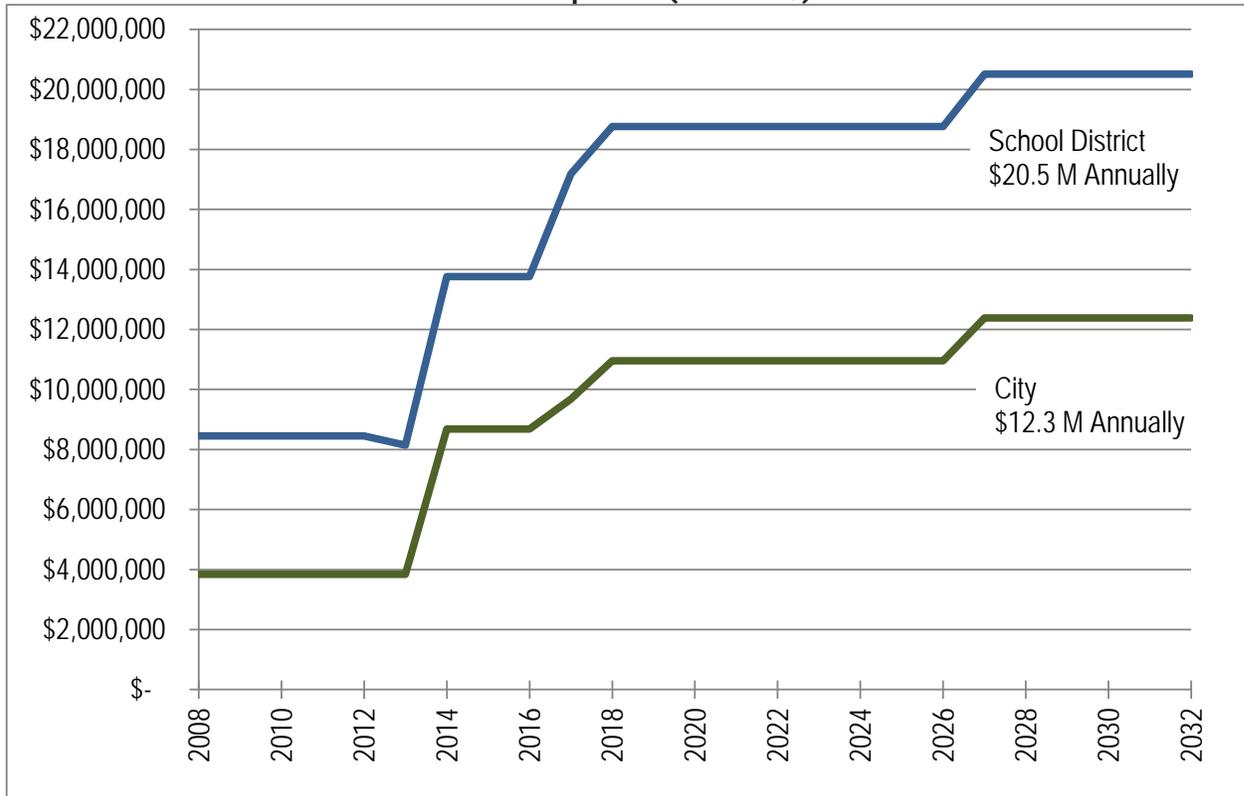
<sup>24</sup> The projected annual tax revenues are in current 2013\$, includes the potential property value impact of 10% (Table 4.4), assumes current home values, tax rates, and includes property taxes that will be paid on the Comcast Center starting in 2018 and for the Comcast Innovation and Technology Center starting in 2027.

**Table 4.6 – Estimated Annual Tax Gain from Real Estate Tax and Use and Occupancy Tax that are Directly Paid by Comcast and Indirectly Attributable to Comcast’s Presence Occurring in Years 2008 through 2027 (in 2013\$)<sup>25</sup>**

Impact Type	Fiscal Impact Areas	Real Estate Tax (\$M)		Use and Occupancy Tax (\$M)
		City Portion	School District Portion	School District
Direct Impacts	Comcast Center	\$1.3	\$1.6	\$2.3
	Additional Comcast Properties			\$0.8
	Comcast Innovation and Technology Center	\$1.4	\$1.8	\$2.2
Indirect Impacts	Current Comcast Employees	\$3.8	\$4.7	
	Nearby Property Impact	\$4.8	\$5.9	
	Future Comcast Employees	\$1.0	\$1.2	
<b>Total</b>		<b>\$12.3</b>	<b>\$15.2</b>	<b>\$5.3</b>

<sup>25</sup> All taxes revenues shown are annual and are in 2013\$. Direct impacts are those taxes paid by Comcast. Indirect Impacts are those taxes generated due to the presence of Comcast in Philadelphia. Annual tax revenues are generated beginning in different years most notably the Real Estate taxes payments for the Comcast Center begin in 2018 and in 2027 for the Comcast Innovation and Technology Center.

**Figure 4.2 –Estimated Annual Tax Gain to the City and School District Over a 25 Year Period from Real Estate and Use and Occupancy Taxes from Comcast Operations, Comcast Innovation and Technology Center, and Nearby Property Value Impacts (in 2013\$)<sup>26</sup>**



Source: Comcast (2013), Econsult Solutions, Inc. (2013)

<sup>26</sup> The graph shows School District tax revenues and City tax revenues from the Real Estate tax and the Use and Occupancy tax using current assessed values and tax rates in 2013\$. Annual tax revenues increase over time due to several events: the increase in nearby residential property values is captured in property assessments (2014), the completion of Comcast Innovation and Technology Center (2017), new employees moving into the City (2017), and both buildings coming off of the ten year tax abatement (2018 and 2027). Real estate taxes for current Comcast employees who live in the City were not adjusted in years 2008-2013 to show potential lower revenues due to different tax rates and home values.

## 5.0 CONCLUSION

In short, Comcast is **a major driver of economic and fiscal impact** within the City and Commonwealth, and its positive contributions will increase over time as it continues its commitment to Philadelphia through the expansion of its headquarters. The construction of Comcast Innovation and Technology Center would represent a significant amount of upfront activity and would make possible a significant expansion in ongoing operational activity, both through Comcast’s expanded footprint within the City and Commonwealth as well as through the 5-star luxury hotel, restaurant, and retail components of Comcast Innovation and Technology Center (see Table 5.1).

**Table 5.1– Annual Economic and Fiscal Impact (Direct and Indirect) Attributable to Comcast from Current Operations and Comcast Innovation and Technology Center Operations Including Hotel and Retail Components (in 2013\$)<sup>27</sup>**

	From Operations	City of Philadelphia	Philadelphia School District	Commonwealth of Pennsylvania
Impacts from Current Operations	Total Output (\$B)	\$2.69		\$5.01
	Total Employment (Jobs)	13,050		43,768
	Tax Revenues (\$M) <sup>28</sup>	\$139.3	\$13.7	\$404.7
Net New Impacts from Proposed Expansion Operations	Total Output (\$B)	\$0.72		\$1.05
	Total Employment (Jobs)	2,798		3,969
	Tax Revenues (\$M) <sup>29</sup>	\$22.3	\$3.6	\$30.7
Future Property Tax Impact	Real Estate Tax Revenues (\$M) <sup>30</sup>	\$2.7	\$3.4	
Total Impacts	Total Output (\$B)	\$3.41		\$6.06
	Total Employment (Jobs)	15,848		47,737
	Total Tax Revenues (\$M)	\$161.6	\$17.3	\$435.4

Source: Comcast Corporation (2013), US Department of Commerce (2011), Econsult Solutions, Inc. (2013)

<sup>27</sup> The actual impact from future operations will be more or less than these estimates depending on the amount of activity already occurring within the City and Commonwealth that will be moved into Comcast Innovation and Technology Center. Should Comcast continue to grow rapidly, a greater proportion of activity in Comcast Innovation and Technology than assumed here may be net new to Philadelphia and Pennsylvania.

<sup>28</sup> Does not include Real Estate tax that will be paid by Comcast Center in 2018, see Future Property Impacts.

<sup>29</sup> Does not include Real Estate tax that will be paid by Comcast Innovation and Technology Center in 2027, see Future Property Impacts.

<sup>30</sup> These revenues are not included in the Total Impacts. These revenues are the Real Estate tax revenues in 2013\$ that will be paid by the Comcast Center and the Comcast Innovation and Technology Center, assuming current assessment values and real estate tax rates, when they roll off of the tax abatements in 2018 and 2027 respectively.

The presence of Comcast and the prospect of Comcast Innovation and Technology Center are also a significant plus for the Center City Philadelphia real estate market. Comcast Center has been shown to **enhance nearby residential property values** and **stimulate additional commercial investment**. And, the arrival of Comcast Innovation and Technology Center would enable the **retention of Comcast's growth** within the City and Commonwealth, the relocation of economic activity into the City and Commonwealth, and the **provision of sorely needed "trophy"-level office space** within Center City Philadelphia.

Comcast is a **Fortune 50 company** whose business activities span a vast geography and a wide portfolio of offerings. With its business operations and executive leadership concentrated in one place, Center City Philadelphia, Comcast is **a major economic engine for the City and Commonwealth**, supporting billions of dollars in local expenditures, employing thousands of people, and generating millions of dollars in local and state tax revenues within the City and Commonwealth.

## APPENDIX A – ECONOMIC AND FISCAL IMPACT MODEL THEORY

### A.1 History

The theory behind input-output modeling stretches as far back as the mid 17th century, when Sir William Petty described the interconnectedness of “production, distribution, and wealth disposal.” While Perry can be credited with noticing links between economies, input-output modeling did not begin to take true form until the mid 18th century, when French physician François Quesnay created the *Tableau Économique*. His work detailed how a landowner spends his earnings on goods from farms and merchants, who in turn spend their money on a host of goods and services. Over the course of the century, an algebraic framework was added by Achille-Nicholas Isnard. Robert Torrens and Léon Walras refined the model by establishing the connections between profits and production.

The modern input-output system can be attributed to Wassily Leontief. In his thesis, “The Economy as a Circular Flow” (1928), he outlined the economy as an integrated system of linear equations relating inputs and outputs. This framework soon gained popularity, and became a widely accepted analytical tool. In 1936, Leontief produced the first input-output analysis of the US. Leontief’s work became the US Department of Commerce’s Bureau of Economic Analysis’s (BEA) standard benchmark for US production in the 1950’s. Leontief received a Nobel Prize for his work in 1973.

By the 1970’s, the BEA had developed regional multipliers that could benchmark regional production throughout the US. Through extensive surveying, the impacts of each industry could be determined at the individual county level. These multipliers later became known as the Regional Input-Output Modeling System, RIMS. These multipliers would later be improved in the 1980’s and reclassified as RIMS II multipliers. This new system soon became a trusted standard in economic impact studies. The updated RIMS II multipliers show the effect on the local economy that localized expenditures have in terms of employment, output, and earnings.

### A.2 Application

The use and application of multipliers are fairly basic and intuitive. Multipliers, in their most basic form, are the result of an algebraic analysis expressing how two inputs are interconnected in the production of an output. The result of the equation generates a multiplier that is broken down into direct, indirect, and induced effects. In a generalized example: if the multiplier for good “X” to good “Y” is 3, then the direct of good “X” on “Y” is 1, with indirect and induced effects of 2. Essentially, every unit of good “X” supports 2 units of good “Y”.

When implemented on a large complex scale, such as that of the US economy or any subsection of it, multiplier effects across industries can be complicated. However, the same general concept comes into play. Each industry has largely different and varied inputs into other industries. The quantity of the output is largely decided by the scale and efficiency of the industries involved. As a result, the sum of those inputs equates to an output product plus a value added/component. By arranging these inputs and outputs by industry in a matrix, and performing some algebra to find the Leontief inverse matrix, each industry's effect on final demand can be estimated. Additionally, the direct, indirect, and induced effects can also be determined. Direct effects include direct purchases for production, indirect effects include expenses during production, and induced effects concern the expenditures of employees directly involved with production. Using building construction as an example, the direct effects would include materials, brick, steel, and mortar, the indirect effects would involve the steel fabrication, concrete mixing, and the induced effects would consider the construction workers purchases from their wages. While impacts vary in size, each industry has rippling effects throughout the economy. By using an input-output model, these effects can be more accurately quantified and explained.

RIMS II is one of several popular choices for regional input-output modeling. Each system has its own nuances in establishing proper location coefficients. RIMS II uses a location quotient to determine its regional purchase coefficient (RPC). This represents the proportion of demand for a good that is filled locally; this assessment helps determine the multiplier for the localized region. RIMS II takes the multipliers and divides them into over 500 industry categories in accordance to the North American Industrial Classification System (NAICS) codes. A comprehensive breakdown of a region's multipliers by industry can be shown.

Despite the usefulness of input-output modeling, there are some shortcomings to the system. Notably, input-output models ignore economies of scale. Input-output models assume that costs and inputs remain proportionate through different levels of production. Further, multipliers are not generally updated on a timely basis; most multipliers are prone to be outdated with the current economy. If the multipliers are sourced from a year of a recession economy, the multipliers may not accurately represent the flows from an economic boom period. Additionally, the multipliers may not capture sudden legal or technological changes which may improve or decrease efficiency in the production process. Regardless, I-O models still serve as the standard in the estimation of local and regional impacts.

### A.3 Economic Impact Model

The methodology and input-output model used in this economic impact analysis are considered standard for estimating such expenditure impacts, and the results are

typically recognized as reasonable and plausible effects, based on the assumptions (including data) used to generate the impacts. In general, one can say that any economic activity can be described in terms of the total output generated from every dollar of direct expenditures. If an industry in a given region sells \$1 million of its goods, there is a direct infusion of \$1 million into the region. These are referred to as *direct expenditures*.

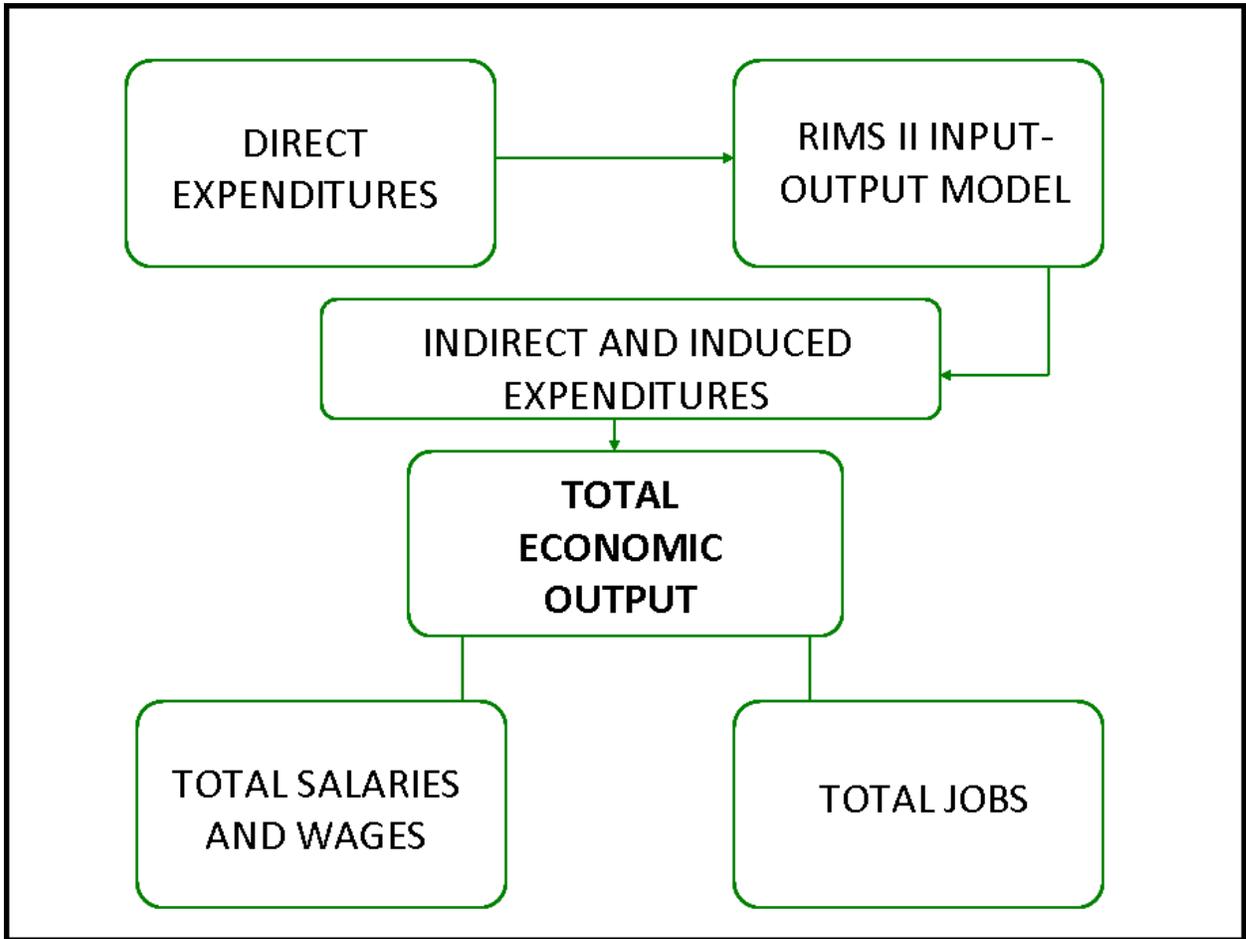
However, the economic impact on the region does not stop with that initial direct expenditure. Regional suppliers to that industry have also been called upon to increase their production to meet the needs of the industry to produce the \$1 million in goods sold. Further, suppliers of these same suppliers must also increase production to meet their increased needs as well. These are referred to as *indirect expenditures*. In addition, these direct and indirect expenditures require workers, and these workers must be paid for their labor. These wages and salaries will, in turn, be spent in part on goods and services produced locally, engendering another round of impacts. These are referred to as *induced expenditures*.

Direct expenditures are fed into a model constructed by Econsult Corporation and based on RIMS II data. The model then produces a calculation of the total expenditure effect on the regional economy. This total effect includes the initial direct expenditure effect, as well as the ripple effects described, the indirect and induced expenditure effects.

Part of the total expenditure effect is actually the increase in total wages and salaries (usually referred to as earnings), which the model can separate from the expenditure estimates. Direct payroll estimates are fed into the “household” industry of the input-output model. Impacts of this industry are estimated using the personal consumption expenditure breakdown of the national input-output table and are adjusted to account for regional consumption spending and leakages from personal taxes and savings. The direct, indirect, and induced earnings represent a component of the total economic impact attributable to wages and salaries. Finally, the model calculates the total expenditures affecting the various industries and translates this estimate into an estimate of the total labor (or jobs) required to produce this output.

In short, the input-output model estimates the total economic activity in a region that can be attributed to the direct demand for the goods or services of various industries. This type of approach is used to estimate the total economic activity attributable to the expenditures associated with various types of spending in the region (see Figure A.1 and Table A.1).

**Figure A.1 – Flowchart of Input-Output Methodology for Estimating Economic Impact**



Source: Econsult Solutions, Inc. (2012)

**Table A.1 – Glossary of Terms for Input-Output Models**

**Multiplier Effect** – the notion that initial outlays have a ripple effect on a local economy, to the extent that direct expenditures lead to indirect and induced expenditures.

**Economic Impacts** – total expenditures, employment, and earnings generated.

**Fiscal Impacts** – local and/or state tax revenues generated.

**Direct Expenditures** – initial outlays usually associated with the project or activity being modeled; examples: one-time upfront construction and related expenditures associated with a new or renovated facility, annual expenditures associated with ongoing facility maintenance and/or operating activity.

**Direct Employment** – the full time equivalent jobs associated with the direct expenditures.

**Direct Earnings** – the salaries and wages earned by employees and contractors as part of the direct expenditures.

**Indirect Expenditures** – indirect and induced outlays resulting from the direct expenditures; examples: vendors increasing production to meet new demand associated with the direct expenditures, workers spending direct earnings on various purchases within the local economy.

**Indirect Employment** – the full time equivalent jobs associated with the indirect expenditures.

**Indirect Earnings** – the salaries and wages earned by employees and contractors as part of the indirect expenditures.

**Total Expenditures** – the sum total of direct expenditures and indirect expenditures.

**Total Employment** – the sum total of direct employment and indirect employment.

**Total Earnings** – the sum total of direct earnings and indirect earnings.

*Source: Econsult Corporation (2009)*

#### **A.4 Fiscal Impact Model**

The RIMS II model provides estimates of the economic impact of a new project or program on the regional economy. It does not, however, estimate the fiscal impact of the increased economic activity on state and local governments. Econsult has constructed a model that takes the output from the RIMS II model and generates detailed estimates of the increases in state and local tax collections that arise from the new project. Those revenues are in fact a part of the total economic impact of a new project that is often ignored in conventional economic impact analyses.

The RIMS II model provides estimates of direct, indirect, and induced expenditures, earnings, and employment within the defined region. The Econsult fiscal impact model combines the RIMS II output with the relevant tax types and tax bases associated with the jurisdiction or jurisdictions for which fiscal impact is being modeled. Specifically, the estimated earnings supported by the direct, indirect, and induced expenditures generated by the model are used to apportion the net increase in the relevant tax bases and therefore in those tax revenue categories. The resulting estimates represent the projected tax revenue gains to the jurisdiction or jurisdictions as a result of the increased business activity and its attendant indirect and induced effects.

## A.5 Sources

Miller, Ronald E., and Peter D. Blair. *Input-output Analysis Foundations and Extensions*. Cambridge, UK: Cambridge UP, 2009. Print.

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## APPENDIX B – ADDITIONAL DETAIL ON THE GROSS ECONOMIC IMPACT OF COMCAST INNOVATION AND TECHNOLOGY CENTER

The economic impact of Comcast Innovation and Technology Center (see Table 3.5) was modeled with the understanding that it would house employees already accounted for in the modeling of Comcast’s current operations economic impact (see Table 2.2). An estimated 60 percent of the proposed expansion development was modeled as new economic activity to the City and Commonwealth.

It may be useful to know the gross impact of Comcast Innovation and Technology Center, without accounting for any internal shifting within Philadelphia and Pennsylvania of existing activity (see Table B.1). Within the City, there would be **an annual expenditure impact of \$1.11 billion, supporting 4,200 jobs and \$542 million in earnings**. Within the Commonwealth, there would be **an annual expenditure impact of \$1.62 billion, supporting 5,900 jobs and \$710 million in earnings**. These amounts reflect only Comcast’s portion and its related spillover activity of the proposed expansion development, and not the hotel and retail components.

Table B.1 – Annual Economic Impact Generated by Ongoing Operations of the Office Component of Comcast Innovation and Technology Center (in 2013\$)

Economic Impact from Ongoing Operations (Office Component Only)	Within the City of Philadelphia Economy	Within the Commonwealth of Pennsylvania Economy
Direct Output (\$M)	\$778	\$778
Indirect & Induced Output (\$M)	\$328	\$845
<b>Total Output (\$M)</b>	<b>\$1,106</b>	<b>\$1,623</b>
<b>Total Employment (Jobs)</b>	<b>4,165</b>	<b>5,947</b>
<b>Total Earnings (\$M)</b>	<b>\$542</b>	<b>\$710</b>

Source: Comcast Corporation (2013), US Department of Commerce (2011), Econsult Solutions, Inc. (2013)

This permanent possible expansion in economic activity, from ongoing operations of the Comcast office component and from the spillover activity it supports, would in turn produce annual tax revenue gains for the City and Commonwealth. It is estimated that the City would receive **\$32.1 million per year in local taxes** and the Commonwealth

would receive **\$47.2 million per year in state taxes** as a result of ongoing operations of the Comcast component of the Comcast Innovation and Technology Center (see Table B.2). These amounts reflect gross estimates of fiscal impact associated with ongoing operations of the Comcast component of Comcast Innovation and Technology Center, without accounting for the fact that some of the activity that generates this impact may be shifting internally from within Philadelphia and Pennsylvania.

**Table B.2 – Annual Fiscal Impact (Direct and Indirect) Generated by Ongoing Operations of the Office Component of Comcast Innovation and Technology Center (in 2013\$)**

Fiscal Impact from Ongoing Operations (Office Component Only)	To the City of Philadelphia Government	To the Commonwealth of Pennsylvania Government
Income Tax Revenues (\$M)	\$20.49	\$12.90
Sales Tax Revenues (\$M)	\$3.76	\$30.70
Business Tax Revenues (\$M)	\$5.64	\$3.62
Miscellaneous Tax Revenues (\$M)	\$2.21	N/A
<b>Total Tax Revenues (\$M)</b>	<b>\$32.10</b>	<b>\$47.22</b>

Source: Comcast Corporation (2013), US Department of Commerce (2011), Econsult Solutions, Inc. (2013)

## APPENDIX C – ADDITIONAL DETAIL ON HOTEL AND RETAIL ACTIVITY IN COMCAST INNOVATION AND TECHNOLOGY CENTER

Table C.1 – Estimated Hotel Room Revenue Generated by Comcast Innovation and Technology Center

Room Nights Sold		Annual Hotel Room Revenues	
# Rooms	222	Room Nights Sold	57,000
x Occupancy	70%	x Average Room Rate	\$440
x Days per Year	365		
<b>= Room Nights Sold</b>	<b>57,000</b>	<b>= Annual Hotel Room Revenues</b>	<b>\$25 Million</b>

Source: Comcast Corporation (2013), Econsult Solutions, Inc. (2013)

Table C.2 – Estimated Visitor Spending Generated by Comcast Innovation and Technology Center

# Guests per Year		Annual Visitor Spending (Not Including Accommodations)	
Room Nights Sold	57,000	= # Guest Nights per Year	71,000
# Guests per Room	1.25	x Average Non-Accommodation Spending per Day	\$100
<b>= # Guest Nights per Year</b>	<b>71,000</b>	<b>= Annual Non-Accommodation Visitor Spending</b>	<b>\$7.1 Million</b>

Source: Comcast Corporation (2013), Bizstats.com (2010), US General Service Administration (2009), Econsult Solutions, Inc. (2013)

**Table C.3 – Estimated Retail Sales Generated by Comcast Innovation and Technology Center**

<b>Annual Retail Sales</b>	
Rentable Retail SF	2,682
Average Annual Sales per SF	\$400
<b>= Annual Retail Sales</b>	<b>\$1.1 Million</b>

*Source: Comcast Corporation (2013), Bizstats.com (2010), US General Service Administration (2009), Econsult Solutions, Inc. (2013)*

## APPENDIX D – ADDITIONAL DETAIL ON HOUSE VALUES FOR THE AREA NEAR COMCAST CENTER

Table D.1 – House Price Index for the Area near Comcast Center, Compared to Center City and University City and to Philadelphia as a Whole (Indexed: 2007 = 100)<sup>31</sup>

	1/2-Mi Radius	1-Mi Radius	Center City / U City	Philadelphia
2003	77	56	64	53
2004	89	70	71	69
2005	111	88	83	87
2006	102	95	94	98
2007	100	100	100	100
2008	95	100	98	94
2009	***	94	94	90
2010	83	96	95	87
2011	105	90	92	82
2012	88	101	93	80
2013	115	108	97	83

Source: City of Philadelphia (2013), Econsult Solutions, Inc. (2013)

<sup>31</sup> 2009 is excluded for the house price index for the area within a half-mile of Comcast Center because there were less than 10 sales that year.

**Table D.2 – Number of House Transactions for the Area near Comcast Center**

	1/2-Mi Radius	1-Mi Radius
2003	28	472
2004	26	542
2005	24	477
2006	21	419
2007	13	381
2008	10	320
2009	5	300
2010	11	316
2011	12	276
2012	10	363
2013	10	210
<b>2003-2013</b>	<b>170</b>	<b>4,076</b>

Source: City of Philadelphia (2013), Econsult Solutions, Inc. (2013)

## APPENDIX E – NEW CONSTRUCTION AND MAJOR RENOVATION NEAR COMCAST CENTER<sup>32</sup>

Table E.1 – Size and Value of New Construction and Major Renovation in Zip Codes 19102, 19103, and 19107 (Excluding Comcast Center Itself)

Year	Size of Commercial Buildings in Square Feet			Value of Commercial Buildings in Millions		
	New Construction	Major Renovation	Total	New Construction	Major Renovation	Total
2003	304,122	45,664	349,786	\$35	\$108	\$143
2004	216,400	92,000	308,400	\$15	\$43	\$58
2005	400,389	57,000	457,389	\$32	\$41	\$73
2006	25,976	268,249	294,225	\$5	\$115	\$120
2007	16,372	9,164	25,536	\$2	\$40	\$42
2008	590,000	1,106,436	1,696,436	\$150	\$119	\$269
2009	537,286	219,205	756,491	\$66	\$111	\$177
2010	-	997,421	997,421	\$0	\$39	\$39
2011	839,334	578,890	1,418,224	\$279	\$58	\$337
2012	588,235	146,371	734,606	\$70	\$125	\$195
2013	588,235	37,211	625,446	\$70	\$10	\$80
<b>Total</b>	<b>4,106,349</b>	<b>3,557,611</b>	<b>7,663,960</b>	<b>\$724</b>	<b>\$809</b>	<b>\$1,533</b>

Source: Reed Construction Data (2013), Econsult Solutions, Inc. (2013)

<sup>32</sup> Some square footage amounts are missing from the dataset and therefore the numbers that appear here are lower than they should be.

**Table E.2 – Public and Private Projects by Size and Value of New Construction and Major Renovation in Zip Codes 19102, 19103, and 19107 (Excluding Comcast Center Itself)**

Year	Size of Commercial Buildings in Square Feet			Value of Commercial Buildings in Millions		
	Private	Public <sup>33</sup>	Total	Private	Public	Total
2003	348,930	856	349,786	\$38	\$105	\$143
2004	308,400	-	308,400	\$30	\$28	\$58
2005	450,389	7,000	457,389	\$64	\$9	\$73
2006	201,660	92,565	294,225	\$82	\$38	\$120
2007	25,536	-	25,536	\$13	\$29	\$42
2008	731,436	965,000	1,696,436	\$160	\$109	\$269
2009	712,975	43,516	756,491	\$69	\$108	\$177
2010	62,421	935,000	997,421	\$11	\$28	\$39
2011	1,189,667	228,557	1,418,224	\$301	\$36	\$337
2012	734,606	-	734,606	\$142	\$53	\$195
2013	625,446	-	625,446	\$73	\$7	\$80
<b>Total</b>	<b>5,391,466</b>	<b>2,272,494</b>	<b>7,663,960</b>	<b>\$983</b>	<b>\$550</b>	<b>\$1,533</b>

Source: Reed Construction Data (2013), Econsult Solutions, Inc. (2013)

<sup>33</sup> City, state, and federal.

**Table E.3 – Building Use by Size and Value of New Construction and Major Renovation in Zip Codes 19102, 19103, and 19107 (Excluding Comcast Center Itself)**

Year	Size of Commercial Buildings in Square Feet			Value of Commercial Buildings in Millions		
	Office	Other <sup>34</sup>	Total	Office	Other	Total
2003	306,822	42,964	349,786	\$36	\$107	\$143
2004	88,000	220,400	308,400	\$1	\$57	\$58
2005	-	457,389	457,389	\$20	\$53	\$73
2006	117,660	176,565	294,225	\$6	\$114	\$120
2007	2,500	23,036	25,536	\$0	\$42	\$42
2008	680,000	1,016,436	1,696,436	\$162	\$107	\$269
2009	168,000	588,491	756,491	\$1	\$176	\$177
2010	44,980	952,441	997,421	\$9	\$30	\$39
2011	-	1,418,224	1,418,224	\$0	\$337	\$337
2012	2,342	732,264	734,606	\$0	\$195	\$195
2013	-	625,446	625,446	\$0	\$80	\$80
<b>Total</b>	<b>1,410,304</b>	<b>6,253,656</b>	<b>7,663,960</b>	<b>\$235</b>	<b>\$1,298</b>	<b>\$1,533</b>

Source: Reed Construction Data (2013), Econsult Solutions, Inc. (2013)

<sup>34</sup> Includes the following sub-categories: Amusement, Governmental Offices, Hospitals/Clinics, Hotel/Motel, Laboratories, Libraries/Museums, Military, Miscellaneous Commercial, Miscellaneous Government, Miscellaneous Non Residential, Nursing/Assisted Living, Parking Garages, Police/Courthouse/Prison, Religious, Retail, Schools/Colleges, and Warehouse.