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25-Year Economic Impact Study Shows Sales Tax Used to Fund Economic Development Results in Strong 'Return on Investment' to the City of Frisco

\$31.1 billion is the cumulative economic impact of the projects facilitated by the Frisco Economic Development Corporation (FEDC) during its first 25 years in operation. That's one of the key findings to come out of a recent, independent economic impact study of the FEDC. The study covers the first 25 years of the FEDC, from 1991 to 2015.

Insight Research Corporation conducted the study during 2016 and 2017 and found the City of Frisco's use of a half-cent of sales tax to fund economic development has proven to be a powerful tool to help grow the city's tax base and to facilitate job creation.

The FEDC is funded by a portion of the City's sales tax, not property tax. The FEDC was created in 1991, when Frisco voters approved a half-cent of sales tax to fund economic development in the city. During the 25 years that followed, the City of Frisco's total tax base grew 38 times from \$654.7 million in 1991 assessments to \$25.028 billion in 2015.

While the FEDC is only one part of the City of Frisco's success story during the 25-year period of study, the FEDC did facilitate 345 separate projects intended to leverage the growth of the City's tax base. The assessed value of those 345 FEDC-related projects was \$2.028 billion in real and personal property as of January 1, 2015, or 8.1% of the City's total property tax base.

"Without a doubt the Frisco Economic Development Corporation has been one of the most successful and productive economic development programs in the United States," said Elizabeth Morris, CEO / Chief Economist, Insight Research Corporation. "The 345 FEDC-related projects my team researched for this study are on Frisco's tax rolls today and continue to provide value to the City of Frisco and its residents and businesses."

Additional findings of the 25-year economic impact study show:

- **Return-on-investment analysis (ROI) calculations show each \$1.00 of FEDC investment returned \$22.37 in investment to Frisco's tax base.**
- \$1.00 invested by the FEDC returned \$4.77 of new tax revenue to the City of Frisco.
- Employers of FEDC-related projects added 27,213 direct, on-site jobs to the City of Frisco's total. That's one in every five jobs in the city. Another 30,395 temporary construction jobs were created during the 25-year period.
- Despite the economic downturn experienced in Texas and throughout the U.S., FEDC project-related employers continued to create employment increases in each consecutive year from 1993 through 2015.
- FEDC-related project activity had a positive impact beyond Frisco's borders. According to the study, the 25-year economic impact to the 12-county Dallas Fort Worth Metropolitan Statistical Area (DFW MSA) was \$31.1 billion in new dollars available to be spend in the regional economy.

"The half-cent of City sales tax used to fund economic development has helped facilitate amenities that not only increase the City's tax base, but also make Frisco a sought-after destination to live, work and visit," said Jim Gandy, president of the Frisco Economic Development Corporation. "The investment in quality development continues to attract a skilled workforce. That talent is what corporate decision makers look for when making a choice about relocating a corporate or regional headquarters, ultimately bringing more jobs to the community."

[Click here to read the Executive Summary of Insight Research Corporation's study: Frisco Economic Development Corporation 25-Year Economic Development Overview 1991 – 2015.](#)