

Final Report Synopsis

An Economic Impact Assessment of Sanford Lake, Midland County, Michigan

December 2013

STUDY PURPOSE

Public Sector Consultants Inc., working with Michigan State University's Center for Economic Analysis, assessed the economic contributions of Sanford Lake, located in Midland County, focusing on the property values of lakefront and back lots with deeded access, the local tax base, and recreational expenditures. The analysis was done for two property owner groups and is designed to help inform public discussions on the long-term costs of preserving the dam and the lake. The analysis focuses on existing information from public sources, including attendance data at the county-owned Sanford Lake Park, local tax and assessment data for properties directly on lake, as well as interviews with marina operators.

THE ECONOMIC IMPACT OF SANFORD LAKE

Exhibit 1 shows the impact on Midland County of government expenditures from increased residential property tax revenues, combined with visitor expenditures, and marina operations¹. We estimate that direct expenditures in the county attributed to the lake amount to just over \$3 million per year, giving rise to nearly \$4.5 million in total sales transactions. More than 30 jobs are directly attributed to the lake, while another 11 jobs are supported indirectly. About \$1.4 million in household income can be attributed to the lake, giving rise to some \$153,912 in sales tax revenues.

EXHIBIT 1. Combined Economic Impact of Sanford Lake to Midland County*

Impact type	Employment	Labor income	Value added	Output	Sales tax
Direct effect	32	\$910,286	\$1,642,089	3,128,800	
Indirect effect	5	270,372	401,880	725,969	
Induced effect	6	206,008	376,158	623,841	
Total effect	43	\$1,386,667	\$2,420,127	\$4,478,610	\$153,912

SOURCE: PSC/CEA analysis. NOTE: Data may not sum due to rounding.

*Using the low median property estimate for lake back lots.

FINDINGS

While the economic benefits described in this analysis would be lost if the dam is removed, the impacts to individual property owners and the region after removal go beyond those described here. Should the lake no longer exist, the potential losses of personal and business assets are difficult to predict and measure, but are important considerations in determining the future of Sanford Dam. This economic analysis does provide a process for identifying and measuring the outcomes of dam retention, and for helping to clarify tradeoffs. Based on the analysis, the project team concludes there are substantial economic benefits from Sanford Lake that justify a thorough examination of alternatives to ensure the dam's retention and long-term maintenance.

¹ However, there is a potential of double counting when combining marina operations with visitor expenditures, as the marinas operate in the area because of these expenditures. To compensate, \$34,812 in boater party expenditures in the boat category has been removed.