

Orland Park Economic Impact Study

November 24, 2017

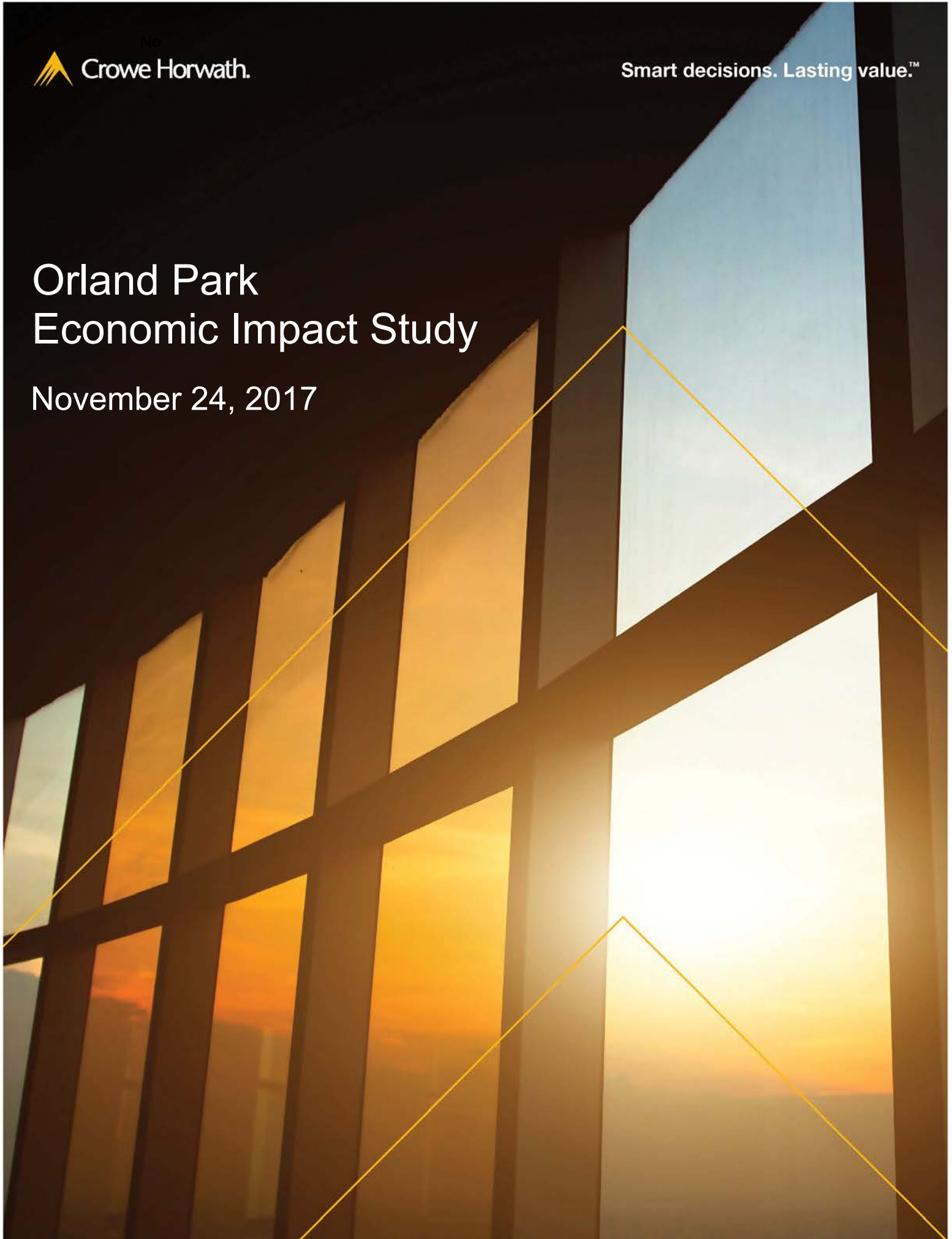


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I. Executive Summary

This study was performed to determine the economic impacts that a Food and Beverage and Video Gaming tax would have on the Village of Orland Park. Crowe also analyzed and estimated the potential revenue generated from these taxes.

To complete the study, Crowe used Implan, an input-output economic modeling software, to perform an analysis of the potential economic impacts on the Village of Orland Park. This economic modeling software utilizes the social accounting system, which provides the framework for the predictive multiplier model. The Implan datasets are derived from a variety of sources including the U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis, U. S Census Bureau and the BLS Consumer Expenditure survey.

Data in the Implan software is aggregated into three different industry classifications for which we determined a change in consumer spending related to the Food and Beverage tax:

- Full-service restaurants: Establishments that provide food services where patrons generally order and are serviced while seated and pay after eating.
- Limited-service restaurants: Establishments that provide food services (except snack and nonalcoholic beverage bars) where patrons generally order or select items and pay before eating.
- All other food and drinking places: Cafeteria Food Service Contractors, Caterers, Mobile Food Services, Bars, Buffets, Snack and Nonalcoholic Beverages.

In addition to the use of the Implan software, Crowe gathered data from multiple resources to calculate an average price of elasticity of demand to determine the effect that the food and beverage tax would have on the local consumer spending patterns. Price elasticity of demand is a measure of the relationship between a change in the price of a particular good and its demand.

Total revenue generated by a potential Food and Beverage tax at .5%, .1% or 1.5% was determined by looking at the total size of each industry, accounting for the change in demand and multiplying by tax rate under each scenario.

In Implan, the Video Gaming industry is broken down into a single category:

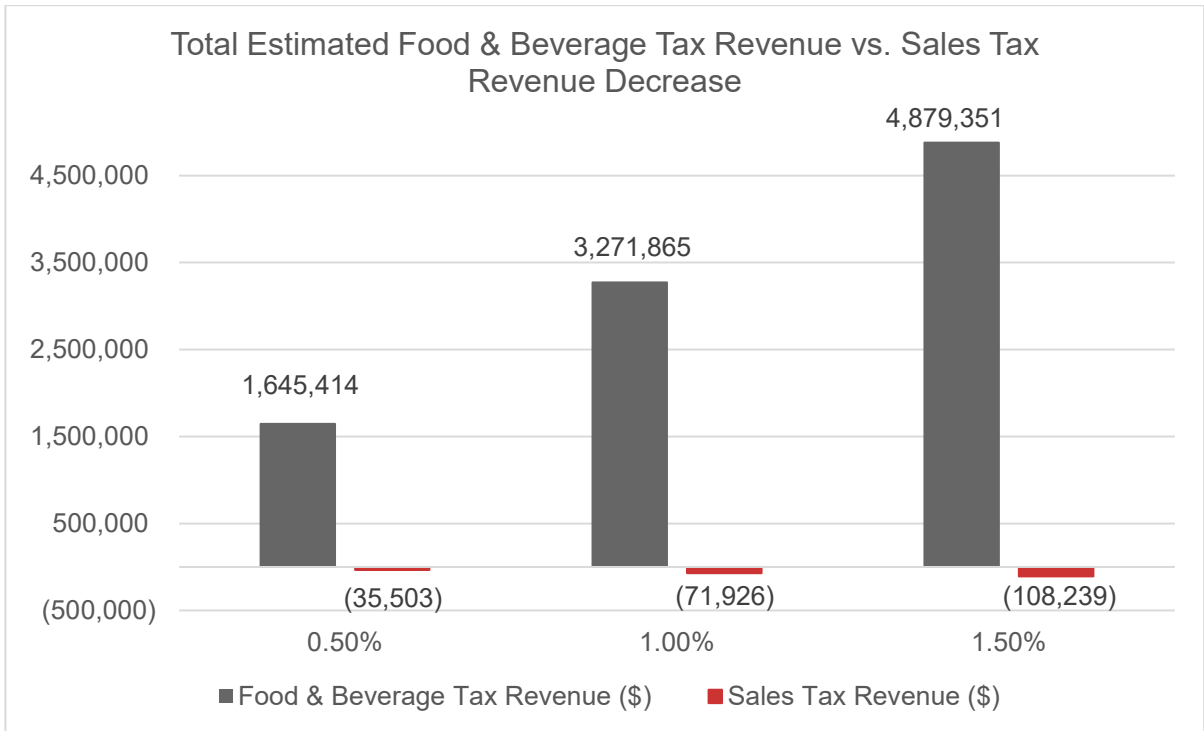
- Gambling Industries (except casino hotels): Establishments that provide gambling services including restaurants.¹

To determine the potential revenue from the Video Gaming tax, Crowe analyzed Video Gaming revenue data of six municipalities designated by Village of Orland Park personnel. Data was retrieved using reports published by the Illinois Gaming Board. The determination of potential revenue from the proposed video gaming ordinance stemmed from determining the average per-terminal revenue for these six municipalities. This study assumes that 150 video game gambling terminals would operate within the Village of Orland Park and also assumes a \$500 annual per terminal fee.²

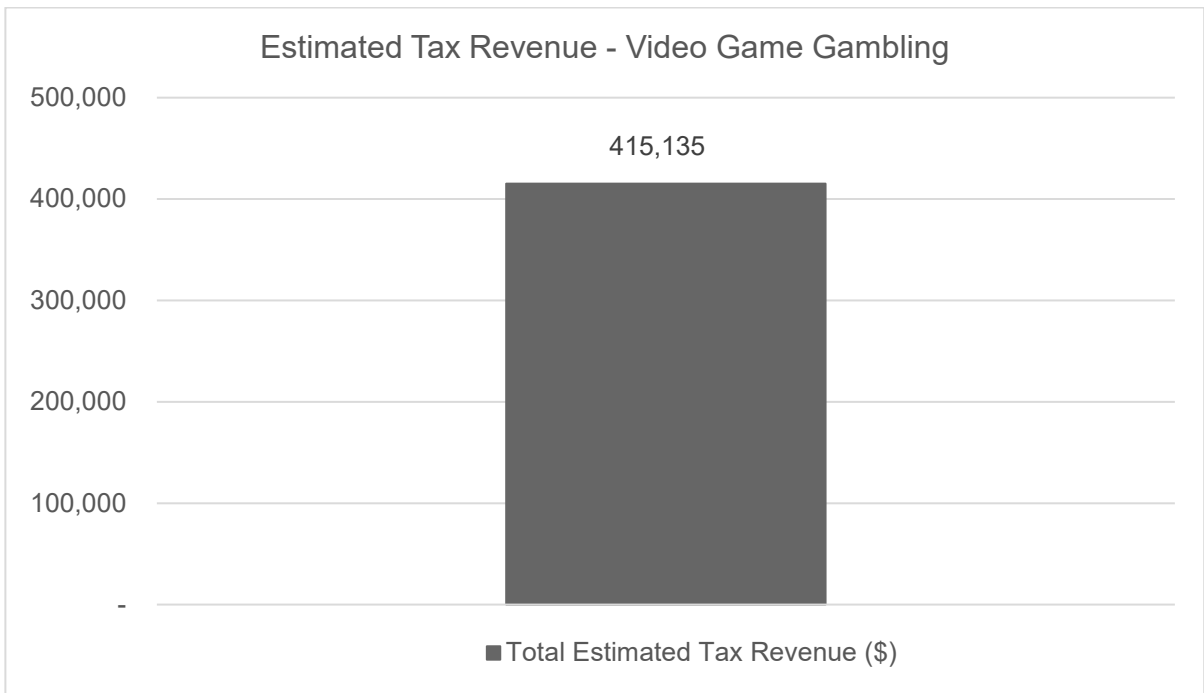
For each category analyzed, the direct, indirect, and induced impact was measured in terms of employment, employee compensation, value added, and output. The key results of the study include:

¹ This category is made up of NAICS code 713210-Casinos (except Casino Hotels) and code 713290-Other Gambling Industries. The Food and Beverage industry as well as Personal Care and Service industries are major groups within these industries. - https://www.bls.gov/oes/current/naics4_713200.htm#37-0000

² Village of Orland Park personnel designated the six municipalities for analysis and designated the assumption of 150 video game terminal operating within the village. \$500 per terminal annual license fee was determined by Orland Park personnel based on video game license fees imposed by other similar municipalities.



The decrease in sales tax revenue is associated with the decrease in total output, as a result of the food and beverage tax. This is based on village sales tax of 1.75% on tangible personal property. This study reflects a decrease in total output across various industries. The decrease in sales tax revenue reflects tax revenue loss from those industries where Orland Park sales tax would be applicable.



The increase in tax revenue is that related to Orland Park’s share of the estimated net terminal tax collected by the state of Illinois and the estimated Orland Park license fee revenue. This study reflects an increase in total output across various industries. Therefore, the total increase in tax revenue may be greater if there is an increase in output related to sales that are subject to the Orland Park sales tax.

II. Introduction

Purpose of the Study

The Village of Orland Park (Orland Park) engaged Crowe Horwath LLP (“Crowe”) to complete an economic impact study to better understand the quantitative impact that a potential food and beverage and gaming tax would have on its economy. Orland Park is exploring the possibility of implementing such taxes, as a way to increase General Fund revenue.

Crowe Horwath LLP (www.crowehorwath.com) is one of the largest public accounting, consulting, and technology firms in the United States. Under its core purpose of “Building Value with Values®,” Crowe uses its deep industry expertise to provide audit services to public and private entities while also helping clients reach their goals with tax, advisory, risk and performance services. With offices coast to coast and 3,000 personnel, Crowe is recognized by many organizations as one of the country’s best places to work.

Using Implan, an economic modeling software, Crowe was able to examine the potential direct, indirect, and induced impacts through economic analysis to gauge the effect on employment, employment compensation and total output.

The Village of Orland Park

The Village of Orland Park was incorporated on May 31, 1892. It is located 25 miles southwest of downtown Chicago in Cook/Will County, with a population of 56,862 as of July 1, 2016 based on the U.S Census Bureau.³

Orland Park Revenue Sources

The table below shows the top ten industries within Orland Park by total output:

Industry Description	Employment	Output (\$)
Owner-occupied dwellings	N/A	\$ 307,184,998
Real estate	988	\$ 286,433,258
Offices of other health practitioners	3216	\$ 282,532,257
Offices of physicians	1713	\$ 238,133,636
Religious organizations	1238	\$ 221,739,441
Monetary authorities and depository credit intermediation	580	\$ 220,776,581
Wireless telecommunications carriers (except satellite)	99	\$ 207,276,398
Full-service restaurants	3177	\$ 173,972,870
Insurance agencies, brokerages, and related activities	692	\$ 167,246,826
Retail - Clothing and clothing accessories stores	1871	\$ 166,023,407

³ <https://www.census.gov/quickfacts/fact/table/orlandparkvillageillinois/POP060210>

Food and Beverage Tax

The Food and Beverage tax would be a tax levied upon all food, soft drinks and alcoholic beverages sold at full-service restaurants, fast food restaurants and other food prepared for immediate consumption (i.e. catering and cafeterias.)

This study determined the impact on the economy if the tax, imposed to the fullest extent of Illinois law, was .5%, 1.0% or 1.5%. The assumption was that a tax is imposed on: all food to be consumed on the premises where it was sold, all food prepared for immediate consumption, all alcoholic beverages and soft drinks sold by a business. Illinois Municipal Code, Act 5, Article 8, Division 11-1 provides for this type of tax to be imposed by Illinois Home Rule Municipalities.

Below is a summary of how other Illinois Home Rule Municipalities have imposed this tax:

- Aurora –
 - 1.75% tax on the food or alcoholic liquor served/prepared at either a restaurant or liquor establishment
- Bolingbrook –
 - 1.5% tax on prepared food sold at any retail food establishment
- Downers Grove –
 - 1.0% tax on prepared food and beverages (effective Jan 1, 2018)
- Lombard –
 - 2.0% tax on prepared food and beverages sold at retail
- Naperville –
 - 1.00% tax on food and beverages, which can be consumed on the premises where purchased
- Schaumburg –
 - 2.00% tax on food and beverages sold at retail

Video Gaming Tax

The analysis of municipal video gaming revenue was based on the Illinois state net video gaming terminal income tax of thirty percent. One sixth of the tax is remitted to the municipality.

The table below lists the six municipalities, designated by Orland Park, for analysis in this study. Additionally, this analysis assumes an annual license fee imposed by Orland Park on video game terminal operators.

Municipality	Population	Video Game Terminal Count	Municipality Revenue From Video Gaming (1/1/16 - 8/31/2017)
Aurora	201,110	150	\$ 466,452
Tinley Park	56,831	136	\$ 440,275
Homer Glen	24,481	55	\$ 227,003
Crystal Lake	40,339	40	\$ 64,339
Oak Lawn	56,257	197	\$ 997,961
New Lenox	26,217	59	\$ 211,373

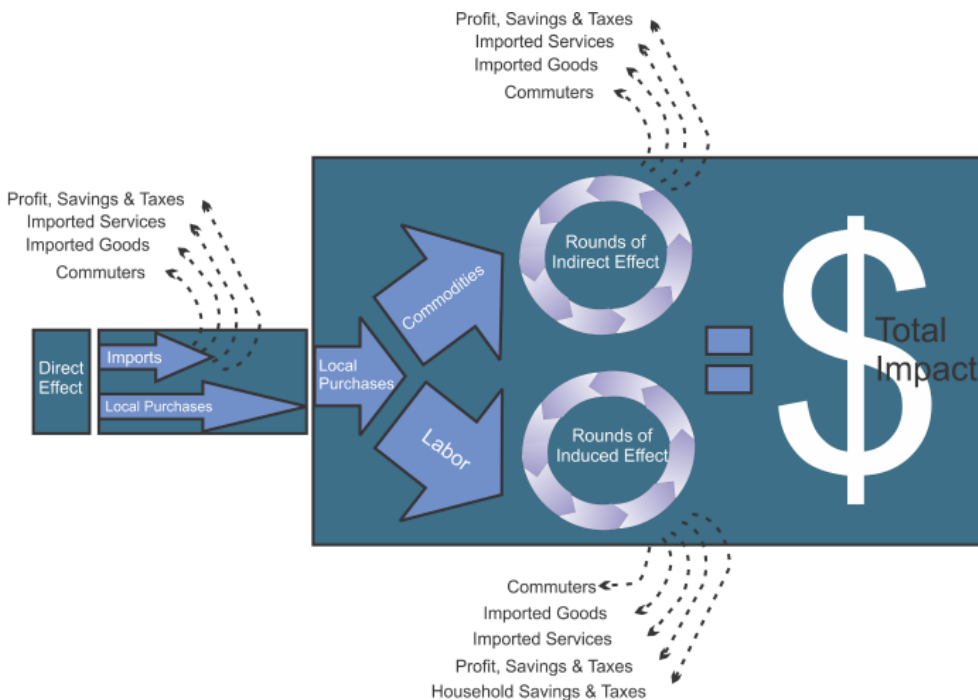
III. Overview

In order to quantify the economic impact, we calculated the potential change in consumer spending. We grouped these changes into Implan industry categories to estimate the direct, indirect, and induced impacts on the Orland Park economy. The estimated impacts use Implan multipliers, derived from state and nationally reported data.

The impacts fall into three categories⁴:

- **Direct Impact:** The initial change in production or expenditures that are driving the impact.
- **Indirect Impact:** The effects that stem from input purchases required by the direct industry to produce its products. The firms that supply inputs to these ‘first-round’ producers must adjust their purchases to meet the change in demand, which stimulate the additional round of indirect results. All indirect effects are inter-industry purchases.
- **Induced Impact:** Induced spending stems from spending of employee wages. The labor change resulting from change to directly affected industries will initiate a change of wage spending that initiates the first round of induced impacts. In turn, businesses that these workers purchase from experience increased demand, which generates the additional rounds of induced effects.

The Implan software measures the impacts on industries affected by the change in direct spending on a particular industry using a local purchase percentage. In order to estimate the indirect and induced impacts for a certain change in direct spending, Implan utilizes an iterative process whereby a certain percentage for every dollar of direct spending in the local economy is “leaked” out of the local economy based things such as imported goods and commuter employees. An Implan analysis for each dollar of direct spending involves a number of iterations until the entire dollar has been “leaked” out of the local economy.



⁴ Source: http://support.implan.com/index.php?option=com_content&view=article&id=238

These impacts are measured in terms of employment, labor income, value added, and output.⁵

- **Employment:** Total annual average jobs. This includes self-employed wage and salary employees, and all full-time, part-time and seasonal jobs, based on a count of full-time/part-time averages over twelve months.
- **Labor Income:** All forms of employment income, including employee compensation (wages and benefits) and proprietor income.
 - **Proprietor Income:** Consists of payments received by self-employed individuals and unincorporated business owners. This income also includes the capital consumption allowance and is recorded on Federal Tax form 1040-C.
- **Value Added:** The difference between an industry's, or an establishment's total output and the cost of its intermediate inputs. It consists of compensation of employees, taxes on production and imports less subsidies, and gross operating surplus.
 - **Intermediate Inputs:** The goods and services produced by one industry that will be incorporated in the production of another industry. Intermediate inputs are the materials and services (other than employment) required by an industry to create its products.
- **Output:** The total value of an industry's production comprised of the value of the Intermediate Inputs and Value Added.
 - **Regional Purchase Coefficient:** The percent of local demand met by local producers. This value is built into the software's multipliers and determines the amount of indirect and induced purchases that are obtained locally.

Impact Year

Our impact analysis assumes that the changes take effect in 2017. At the time of this report, the most current dataset available from Implan was 2015 Illinois zip code data. As a result, the 2017 impacts were multiplied by a GDP deflator of 1.013 to account for the increase in GDP from 2015 to 2017.

Study Area

The study analyzes the economic impact on Orland Park. In Implan, economic data is aggregated based on zip code. The following two zip codes were included in the analysis, as these make up the Village of Orland Park: 60462 and 60467.

Tax (Revenue) Estimate

Also included in this study is an estimate of the potential tax revenue from a food and beverage tax and video gaming tax.

⁵ Source: http://support.implan.com/index.php?option=com_glossary&view=glossary&glossid=13&Itemid=1866

IV. Summary – Food and Beverage Tax

Background

A local Food and Beverage Tax would directly impact full-service restaurants, limited service restaurants (such as fast-food establishments) as well as other food service businesses (including: bars, caterers and cafeterias.) This study illustrates the impacts of a Food and Beverage tax at the following rates: .5%, 1.0% and 1.5%. This study assumes that the tax imposed to the full extent under Illinois state law.

Impact Type

Direct Impact: Consumer spending at full-service restaurants, limited service restaurants and all other food and drinking places in Orland Park.

Indirect Impact: The change in spending by local business on inputs required in order to meet the production demand. This includes product inputs and supplies purchased within Orland Park.

Induced Impact: The effect on consumer spending by employees. The direct and indirect impacts all affect employee compensation, which drives this impact.

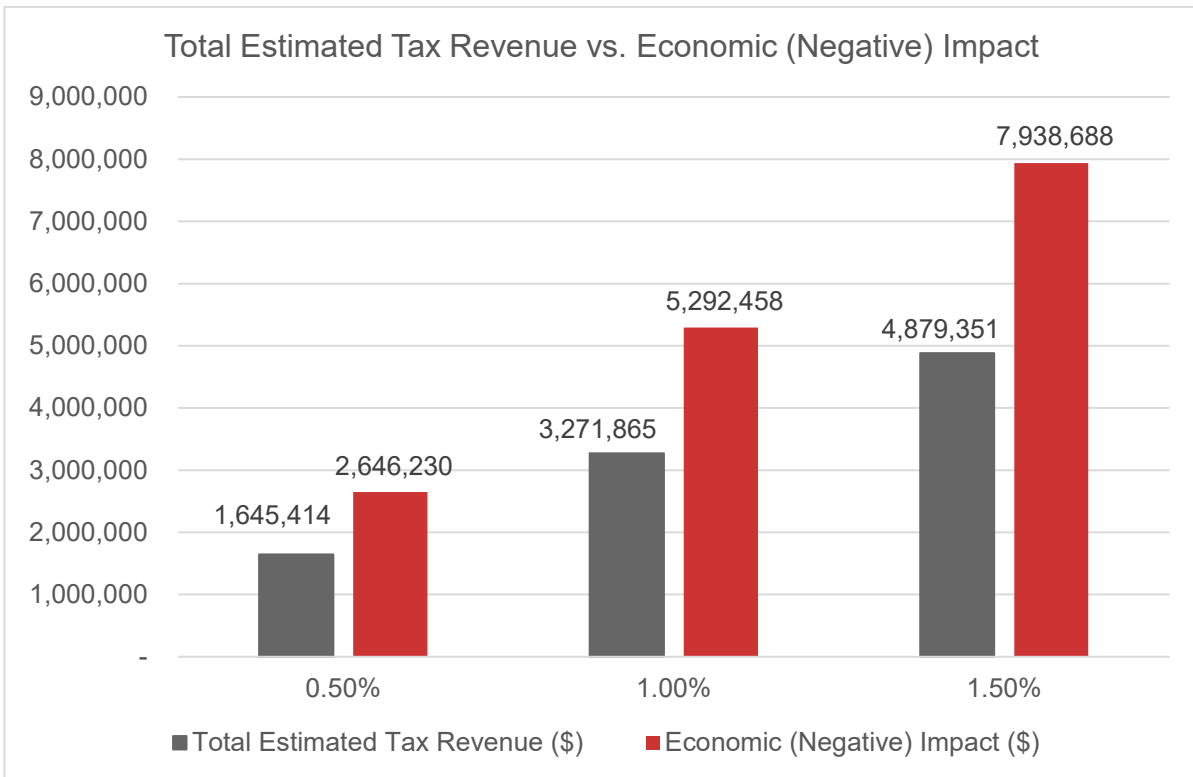
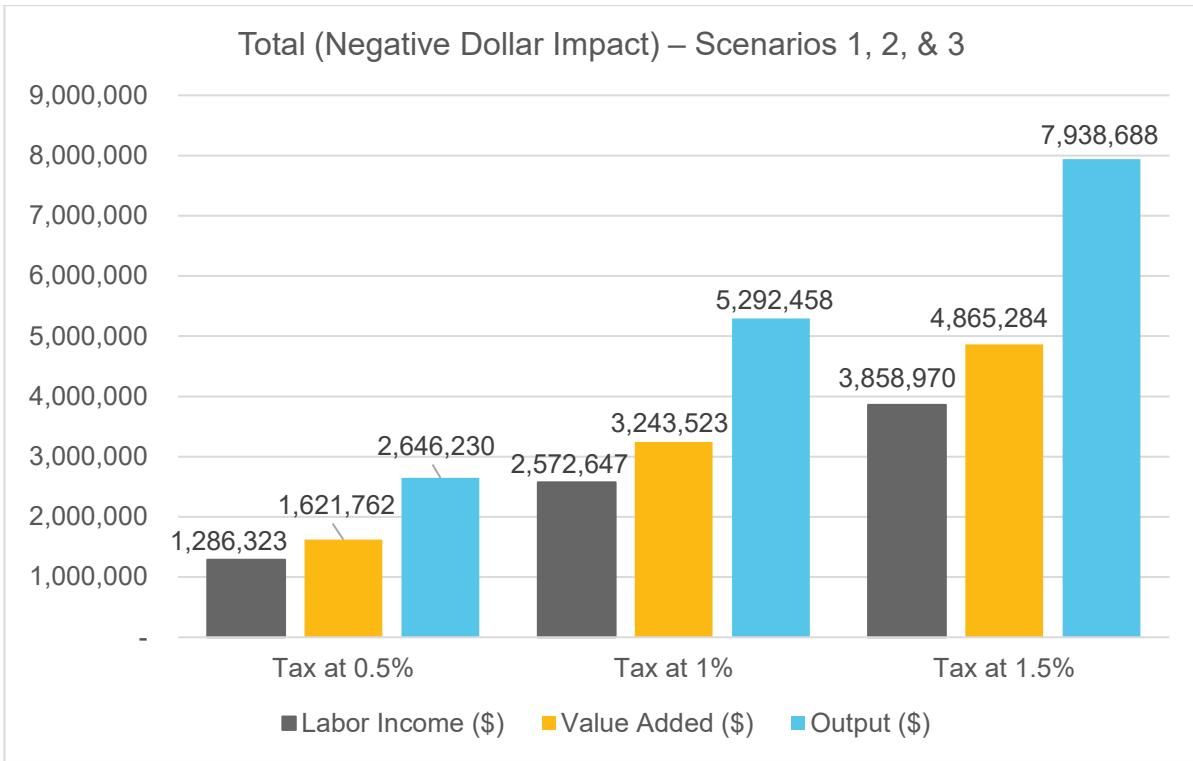
Multipliers

To gauge the impact that expenditures have on the economy, Implan calculates output and multipliers based on state and nationally collected data of industry spending patterns. For the employment multiplier, Implan generates an estimate of employment impact based on output per worker.

Key Results

The table below reflects the estimated dollar impact on the Orland Park economy at a .5%, 1% and 1.5% food and beverage tax.

The table below shows a comparison of the economic impact (in negative dollars) compared to estimated tax revenue associated with the food and beverage tax. The negative economic impact represents the estimated total decrease in revenue across all industries as a result of the change in buyer behavior associated with the tax increase.



V. Summary – Video Gaming Tax

Background

While Orland Park law does not currently maintain a provision for video gaming, this study analyzes the impact on the local economy assuming that Orland Park decides to allow such a provision. This study assumes that per capita consumer spending on video gaming in Orland Park is consistent with that for other municipalities that have similar median income levels.

Impact Type

Direct Impact: Consumer spending on video gaming (gambling).

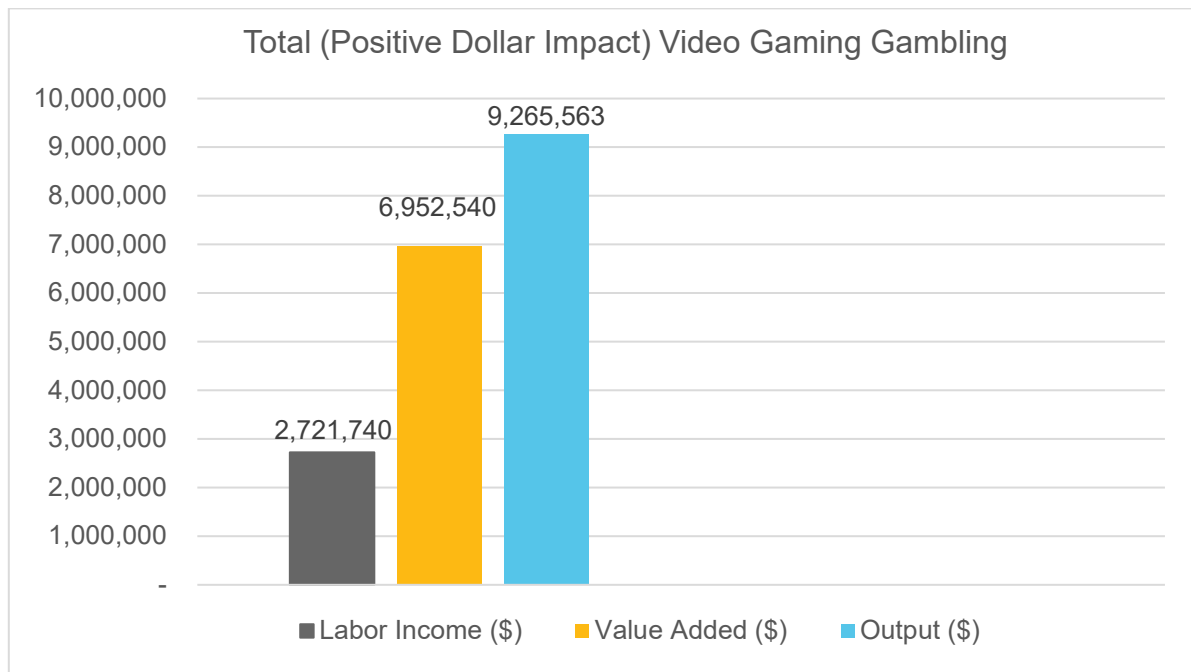
Indirect Impact: The change in spending by local business on inputs required in order to meet the production demand. This includes product inputs and supplies purchased locally.

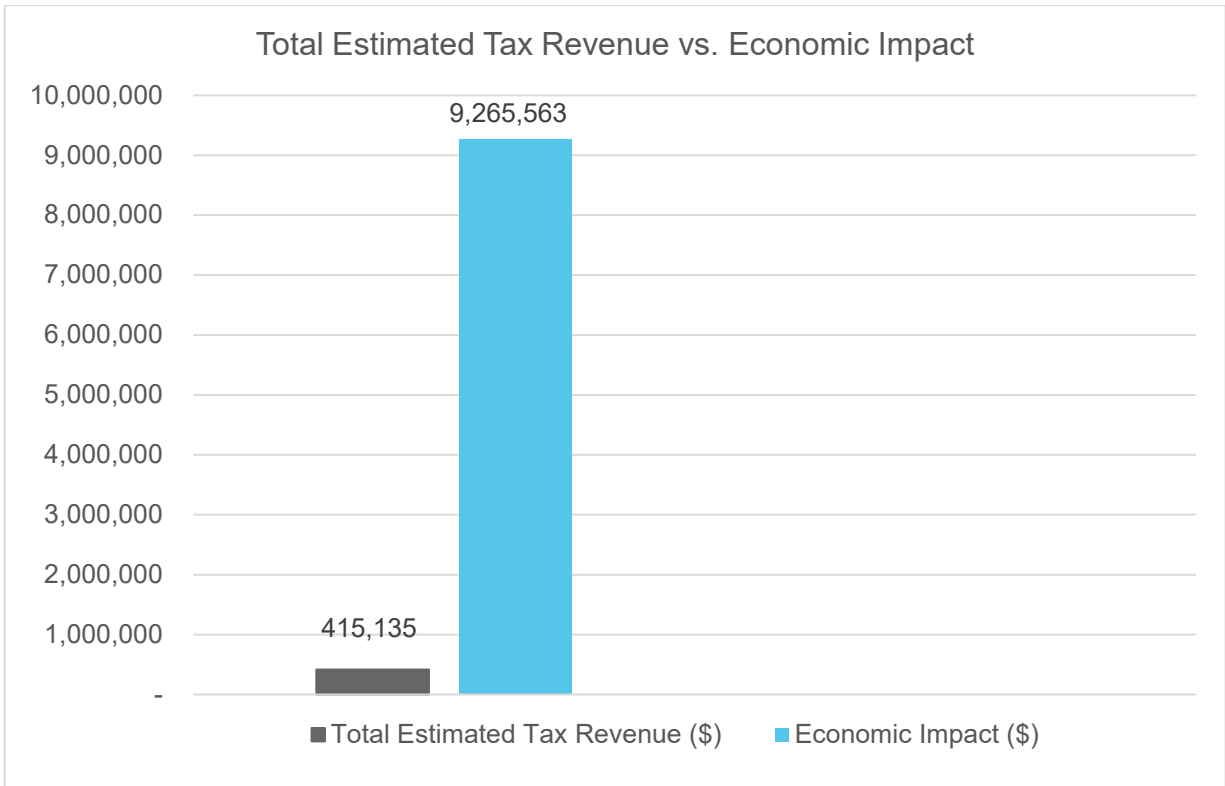
Induced Impact: The effect on consumer spending by employees. The direct and indirect impacts all affect employee compensation, which drives this impact.

Multipliers

To gauge the impact that expenditures have on the economy, Implan calculates output and multipliers based on state and nationally collected data of industry spending patterns. For the employment multiplier, Implan generates an estimate of employment impact based on output per worker.

Key Results





VI. Food and Beverage Tax

Illinois Law

Under Illinois law, Home Rule Municipalities are allowed to tax food and beverages sold at eat-in restaurants as well as food prepared for immediate consumption. Below, is the relevant portion of Illinois law related to the Food and Beverage Tax:

“If imposed, the tax shall only be imposed in ¼% increments. On and after September 1, 1991, this additional tax may not be imposed on the sales of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food that has been prepared for immediate consumption).” (ILCS Sec 5/8-11-1)

Methodology

Price Elasticity of Demand:

The Price Elasticity of Demand is the measure of the relationship between a change in the quantity demanded of a particular good and a change in its price. This study uses price elasticity of demand coefficients for the three industry categories that would be directly impacted by a Food and Beverage tax.

Research suggests that the price elasticity of demand for full-service restaurants is approximately (2.01). Research suggests that the price elasticity of demand for limited-service restaurants is approximately (.12). The price elasticity of demand for all other food and drinking places is approximately (.43).⁶

Current Size of Orland Park Food and Beverage Industry:

The Implan software aggregates food and beverage industry data into three industries:

- Full-Service Restaurants – NAICS Code: 722511
 - Industry Size: \$ 173,972,870
- Limited-Service Restaurants – NAICS Code: 722513
 - Industry Size: \$ 122,317,093
- All Other Food and Drinking Places – NAICS Codes: 722310, 722320, 722330, 722410, 722514, 722515
 - Industry Size: \$ 34,689,316

The estimate of the potential change for each level of tax was based on the price elasticity of demand and the size (output) of each sector.

⁶ Levadahl, J. William, (2011) “Price Elasticities of Demand for Food Away From Home.” Economic Research Service
Okrent, Abigail M. and J. Alston, (2012) “The Demand for Disaggregated Food-Away-From-Home and Food-at-Home Products in the United States.” United States Department of Agriculture Economic Research Report Number 139

Results

Food and Beverage Tax at .5%

Impact Type	Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	(34)	\$ (1,010,257)	\$ (1,126,833)	\$ (1,896,400)
Indirect Effect	(2)	\$ (119,575)	\$ (207,519)	\$ (303,041)
Induced Effect	(3)	\$ (156,491)	\$ (287,410)	\$ (446,789)
Total Effect	(39)	\$ (1,286,323)	\$ (1,621,762)	\$ (2,646,230)

Sector Description	Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Full-service restaurants	(32)	\$ (940,903)	\$ (1,042,068)	\$ (1,763,109)
Real estate	(0)	\$ (7,923)	\$ (77,596)	\$ (94,680)
Limited-service restaurants	(1)	\$ (24,206)	\$ (58,886)	\$ (94,278)
All other food and drinking places	(2)	\$ (62,455)	\$ (50,955)	\$ (79,834)
Owner-occupied dwellings	(0)	\$ -	\$ (49,328)	\$ (73,699)
Management of companies and enterprises	(0)	\$ (33,975)	\$ (42,147)	\$ (63,468)
Wholesale trade	(0)	\$ (12,859)	\$ (23,385)	\$ (33,762)
Insurance carriers	(0)	\$ (5,378)	\$ (16,687)	\$ (24,891)
Offices of physicians	(0)	\$ (16,250)	\$ (15,685)	\$ (23,300)
Monetary authorities and depository credit intermediation	(0)	\$ (5,588)	\$ (13,418)	\$ (17,095)

Food and Beverage Tax at 1.0%

Impact Type	Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	(68)	\$ (2,020,514)	\$ (2,253,666)	\$ (3,792,799)
Indirect Effect	(3)	\$ (239,150)	\$ (415,037)	\$ (606,081)
Induced Effect	(7)	\$ (312,982)	\$ (574,819)	\$ (893,578)
Total Effect	(78)	\$ (2,572,647)	\$ (3,243,523)	\$ (5,292,458)

Sector Description	Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Full-service restaurants	(63)	\$ (1,881,806)	\$ (2,084,136)	\$ (3,526,219)
Real estate	(1)	\$ (15,846)	\$ (155,191)	\$ (189,360)
Limited-service restaurants	(2)	\$ (48,412)	\$ (117,771)	\$ (188,556)
All other food and drinking places	(3)	\$ (124,910)	\$ (101,911)	\$ (159,668)
Owner-occupied dwellings	(0)	\$ -	\$ (98,656)	\$ (147,398)
Management of companies and enterprises	(0)	\$ (67,949)	\$ (84,294)	\$ (126,936)
Wholesale trade	(0)	\$ (25,717)	\$ (46,771)	\$ (67,524)
Insurance carriers	(0)	\$ (10,756)	\$ (33,374)	\$ (49,782)
Offices of physicians	(0)	\$ (32,500)	\$ (31,370)	\$ (46,601)
Monetary authorities and depository credit intermediation	(0)	\$ (11,177)	\$ (26,836)	\$ (34,189)

Food and Beverage Tax at 1.5%

Impact Type	Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	(102)	\$ (3,030,771)	\$ (3,380,499)	\$ (5,689,199)
Indirect Effect	(5)	\$ (358,726)	\$ (622,556)	\$ (909,122)
Induced Effect	(10)	\$ (469,474)	\$ (862,229)	\$ (1,340,367)
Total Effect	(116)	\$ (3,858,970)	\$ (4,865,284)	\$ (7,938,688)

Sector Description	Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Full-service restaurants	(95)	\$ (2,822,709)	\$ (3,126,204)	\$ (5,289,328)
Real estate	(0)	\$ (23,769)	\$ (232,787)	\$ (284,040)
Limited-service restaurants	(3)	\$ (72,617)	\$ (176,657)	\$ (282,834)
All other food and drinking places	(5)	\$ (187,365)	\$ (152,866)	\$ (239,501)
Owner-occupied dwellings	(0)	\$ -	\$ (147,984)	\$ (221,098)
Management of companies and enterprises	(1)	\$ (101,924)	\$ (126,442)	\$ (190,404)
Wholesale trade	(0)	\$ (38,576)	\$ (70,156)	\$ 101,286
Insurance carriers	(0)	\$ (16,134)	\$ (50,060)	\$ (74,672)
Offices of physicians	(1)	\$ (48,750)	\$ (47,055)	\$ (69,901)
Monetary authorities and depository credit intermediation	(0)	\$ (16,765)	\$ 40,255	\$ (51,284)

Food & Beverage Tax Estimated Tax Revenues			
	.5% Tax	1.0% Tax	1.5% Tax
Full-Service Restaurants	\$ 861,122	\$ 1,704,760	\$ 2,530,914
Limited-Service Restaurants	\$ 611,219	\$ 1,221,703	\$ 1,831,454
All Other Food and Drinking Places	\$ 173,074	\$ 345,402	\$ 516,984
	\$ 1,645,415	\$ 3,271,865	\$ 4,879,352

VII. Video Gaming Tax

Illinois Law

Under Illinois law, video gaming terminal means:

“any electronic video game machine that, upon insertion of cash, electronic cards or vouchers, or any combination thereof, is available to play or simulate the play of a video game, including but not limited to video poker, line up, and blackjack, as authorized by the Board utilizing a video display and microprocessors in which the player may receive free games or credits that can be redeemed for cash. The term does not include a machine that directly dispenses coins, cash, or tokens or is for amusement purposes only.” (ILCS Sec 40/5)

Illinois law imposes a tax of thirty percent on the net terminal income that is collected by the state. Of the thirty percent tax imposed by the state of Illinois, one-sixth is remitted to the municipality. (ILCS Sec 40/60)

Additionally, recent Illinois litigation has upheld municipalities’ authority under Illinois law to impose an additional local tax on video gaming. A number of municipalities impose their own per terminal annual license fee and/or a per terminal operator license fee. The owners of the terminals are responsible for remitting these fees.

Current Orland Park Law

Currently, Orland Park does not allow for video game gambling at establishments within the village limits.

Methodology

Estimate of Potential Net Terminal Income:

This study calculated the potential net terminal income, by estimating a per terminal dollar amount, which was based on net terminal income in municipalities designated by Orland Park representatives as being similar to the Village of Orland Park⁷. Net terminal income data was collected for January 1, 2016 through August 31, 2017 from reports provided by the Illinois Video Gaming Board. At the Village of Orland Park’s request, this study assumes that Orland Park supports 150 video game terminals.

Estimate of Potential License Fee:

This study assumes that Orland Park imposes an annual license fee of \$500 per video gaming terminal.

Use of Similar Municipality and Illinois Average:

The Implan software calculates economic impacts based on historical data. Therefore, the software is unable to calculate an estimated economic impact for Orland Park due to no current video game gambling industry. Because of this, an Illinois municipality, similar to Orland Park in population, median income and geography, was analyzed. The economic impact based on the projected direct effect is provided below. Further, an analysis was done that assumed a per capita dollar output for the state of Illinois, and this impact was scaled to the size of Orland Park, Illinois’ population.

The video game gambling sector includes various subsectors. Full-service, limited-service restaurants and all other food and drinking places are a few of the subsectors.

⁷ The Village of Orland Park representatives provided six municipalities to be used for this study. These are listed in the Introduction section of this report, and an average per terminal municipal revenue was determined for these six municipalities.

Results

The tables below represent the estimated economic effect on a municipality that is similar in population, median income and geography to Village of Orland Park in total:

Impact Type	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	\$ 1,832,527	\$ 5,231,804	\$ 6,802,709
Indirect Effect	\$ 496,050	\$ 1,012,919	\$ 1,377,867
Induced Effect	\$ 393,163	\$ 707,818	\$ 1,084,987
Total Effect	\$ 2,721,740	\$ 6,952,540	\$ 9,265,563

Sector Description	Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Gambling industries (except casino hotels)	35	\$ 1,833,526	\$ 5,234,656	\$ 6,806,934
Real estate	2	\$ 42,927	\$ 420,409	\$ 512,970
Legal services	1	\$ 142,250	\$ 242,230	\$ 297,785
Owner-occupied dwellings	0	\$ -	\$ 133,354	\$ 199,239
Wholesale trade	0	\$ 40,004	\$ 72,753	\$ 105,035
Nondepository credit intermediation and related activities	1	\$ 46,786	\$ 50,526	\$ 88,312
Monetary authorities and depository credit intermediation	0	\$ 25,869	\$ 62,115	\$ 79,133
Accounting, tax preparation, bookkeeping, and payroll services	0	\$ 42,158	\$ 47,599	\$ 56,954
Offices of physicians	0	\$ 37,395	\$ 36,094	\$ 53,619
Printing	0	\$ 18,395	\$ 25,093	\$ 49,863

The tables below represent the estimated economic effect on the State of Illinois in total, scaled based on population:

Impact Type	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	\$ 1,493,586	\$ 4,392,690	\$ 6,802,708
Indirect Effect	\$ 926,917	\$ 1,829,753	\$ 2,728,829
Induced Effect	\$ 758,256	\$ 1,358,380	\$ 2,289,890
Total Effect	\$ 3,178,759	\$ 7,580,823	\$ 11,821,428

Sector Description	Labor Income (\$)	Value Added (\$)	Output (\$)
Gambling industries (except casino hotels)	\$ 1,496,657	\$ 4,401,722	\$ 6,816,697
Real estate	\$ 64,370	\$ 629,415	\$ 811,493
Legal services	\$ 288,393	\$ 492,205	\$ 631,385
Owner-occupied dwellings	\$ 17,032	\$ 17,952	\$ 38,280
Monetary authorities and depository credit intermediation	\$ 30,863	\$ 34,333	\$ 52,045
Wholesale trade	\$ 23,872	\$ 26,948	\$ 48,730
Insurance carriers	\$ 64,050	\$ 74,613	\$ 130,534
Hospitals	\$ 31,720	\$ 45,226	\$ 58,388
Nondepository credit intermediation and related activities	\$ 16,224	\$ 40,962	\$ 68,688
Advertising, public relations, and related services	\$ 54,770	\$ 61,966	\$ 76,970

Estimated Tax and License Fee Revenue	
Average annual municipality revenue per terminal ⁸	\$ 2,268
Municipality share of tax on net terminal income ⁹	\$ 340,135
License Fee Revenue	\$ 75,000
Total Effect	\$ 415,135

⁸ Based on per terminal revenue for the six municipalities designated by the Village of Orland Park representatives

⁹ Based on the assumption of 150 video game terminals operating within the village, as designated by the Village of Orland Park representatives

VIII. Conclusion

Conclusion

The proposed Food and Beverage tax at 1% would represent a difference between annual food and beverage tax revenues and annual sales tax revenues loss of approximately \$3,199,939. Primarily, the economic effect would appear in the full-service restaurant sector in which an estimated \$3,526,219 decrease in total output would occur.

A proposed municipal rule allowing video game gambling would have a positive economic impact on the Orland Park economy. Based on an assumption that the Village of Orland Park would support 150 video gaming terminals, the tax revenues would be approximately \$415,135 annually.

Village Comment -

If enacted, the Village would allow no more than five (5) terminals per license with the total number of licenses yet to be determined. Tax revenue would be dependent upon total terminals and licenses granted.