Jefferson City Conference Center & Hotel

Economic Impact Analysis

Prepared for the
Jefferson City Regional Economic Partnership and Jefferson City Convention and Visitors Bureau

Exceed: Regional Economic & Entrepreneurial Development
University of Missouri Extension

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Executive Summary

The primary purpose of this report is to understand the economic impact of the proposed conference center and hotel in Jefferson City, Missouri. The proposed facility would be an upscale, full-service hotel and conference center projected to include:

- 200 guest rooms,
- 36,000 square feet of meeting space including a 15,000- to 20,000-square-foot ballroom,
- a ground-level restaurant/bar and market, and
- a flagship terrace-level lounge.

The facility will be located at the southeast quadrant of Madison Street and East Capital Avenue and will be built in conjunction with a new parking garage to service both conference center and hotel patrons and existing downtown parking demand (see Exhibit 1).

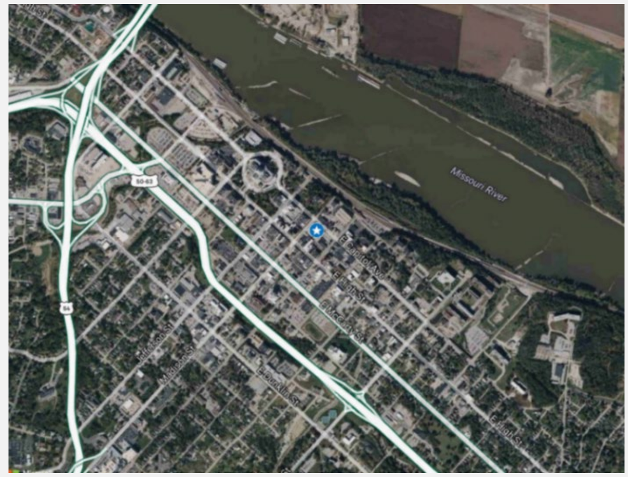


Exhibit 1. Project site.

Facility construction would begin in mid-2025, lasting approximately 24 months and spanning three calendar years. During this period (2025–27), construction spending of $130 million is projected to support 588 jobs in Missouri, 504 of which would be in Cole County. Additionally, construction activities are projected to generate $255 million in total sales when supply-chain and worker spending impacts are considered, $203 million of which would accrue in Cole County. The rest of Missouri would also benefit from these construction activities, with 85 jobs and $52 million in new sales during this period.

The conference center and hotel are projected to generate $455 million in Missouri sales during the first 10 years of operation (2028–37), including $380 million in Cole County business sales. This spending would support 373 Missouri jobs on an annual basis — with most employment (333 jobs) in Cole County. When considered in its entirety, the combined impact of the construction and operations of the proposed conference center and hotel is projected to generate $710 million in Missouri sales, supporting an annual average of 423 jobs, during the 13-year period (2025–37).

Background

Interviews with the Jefferson City Convention and Visitors Bureau, Jefferson City Regional Economic Partnership, and business community stakeholders revealed significant demand for a modern facility capable of hosting multiday conferences and meetings. To access state government, statewide professional associations, government agencies, and private business desire to hold conferences and events in Jefferson City. The loss of meeting space and degrading quality of existing facilities has led many groups to move their events to facilities outside of Jefferson City.

Destinations such as Kansas City, St. Louis, Branson and Lake of the Ozarks have accommodated the excess demand that cannot be met locally, drawing business out of Jefferson City. This facility is expected to meet local demand, enabling the City of Jefferson to host conferences it currently cannot accommodate. In addition to accommodating these events, this facility will make Jefferson City a more competitive market for attracting new conferences and visitors to the area.

Cole County Economic Impacts

The conference center, hotel, and parking garage are estimated to cost $130 million to construct over a 24-month period, assumed to begin in 2025. The facility would begin operations in mid-2027. Direct spending in Cole County of $19.1 million at the hotel, conference center, and from induced visitor spending is expected in 2028 (estimates derived from analysis of the conference center market study [PDF] and data provided by Jefferson City officials). Annual spending will increase yearly and is projected to reach $29.6 million by 2037. This direct spending will spur indirect (i.e., supply-chain) and induced (i.e., worker) spending that will ripple through the community and Missouri to create additional benefits.

The results for both phases are noted in Exhibit 2. In summary:

- The **construction** phase is anticipated to create an annual average of 504 jobs in Cole County over 24-months. This activity would support nearly $204 million in cumulative new Cole County gross sales, and $111 million in value added (gross domestic product or GDP).
- The **operations** phase is anticipated to support an annual average of 333 jobs in Cole County between 2028 and 2037. Cumulative gross sales would increase by $380 million during the same period. The county would also gain $200 million in value added (GDP).
- The **combined** phases would create an annual average of 372 jobs over the 13 years and $584 million in cumulative Cole County gross sales. Total value added (GDP) amounts to $311 million.

The **$311 million** in value added, or GDP, represents new wealth to the community as the total sum of wages, profits, rents, interests and taxes that accrue over this time period (2025-37) to benefit Cole County.

Exhibit 2. Economic Impact — Cole County.

Figures may not sum due to rounding. Jobs are annual averages. Employment income includes wages and other employer compensation. Money figures are cumulative and in 2024 dollars.

Construction	Impact	Employment	Employment Income	Value Added (GDP)	Gross Sales
2025 - 27	Direct	383	$72.6 M	$74.2 M	$133.5 M
	Indirect	41	$7.7 M	$13.3 M	$28.7 M
	Induced	80	$12.1 M	$23.2 M	$41.3 M
	Total	**504**	**$92.4 M**	**$110.7 M**	**$203.5 M**

Operations	Impact	Employment	Employment Income	Value Added (GDP)	Gross Sales
2028 - 37	Direct	259	$81.8 M	$130.9 M	$239.9 M
	Indirect	43	$24.5 M	$39.5 M	$87.7 M
	Induced	31	$15.5 M	$29.6 M	$52.9 M
	Total	**333**	**$121.9 M**	**$200.1 M**	**$380.4 M**

Combined	Impact	Employment	Employment Income	Value Added (GDP)	Gross Sales
2025 - 37	Direct	287	$154.4 M	$205.2 M	$373.4 M
	Indirect	42	$32.1 M	$52.8 M	$116.4 M
	Induced	42	$27.7 M	$52.8 M	$94.1 M
	Total	**372**	**$214.3 M**	**$310.8 M**	**$583.9 M**

Direct effects represent construction activities associated with the proposed facility and the annual operation of the conference center and hotel. The direct activities would support 287 jobs and employment income of $154 million in Cole County over 13 years. Total sales, of $373 million would generate $205 million in new value-added wealth (GDP).

Indirect effects estimate the impacts on supply chains needed to provide materials, equipment and services for the construction and operations of the conference center and hotel, along with other businesses impacted by additional visitor spending once the facility is open. Analysis shows supply-chain ripple effects would support an annual average of 42 jobs in Cole County over the 13 years and $32 million in employment income. Supply-chain sales of $116 million in Cole County would add $53 million in value-added wealth (GDP) during that time.

Induced effects measure household spending from workers employed in the construction and operation of the facility, at other businesses that benefit directly from new visitor spending, and from supply chain workers. An annual average of 42 additional jobs would be supported by direct and indirect worker spending, providing nearly $28 million in employment income to Cole County workers over the 13 years. Worker purchases would add $94 million in sales and $53 million in value-added wealth (GDP) to the county during that time.

Exhibit 3 highlights the top five industries in Cole County by jobs supported through either direct, indirect or induced spending during the operations phase. Figures are for 2037.

Exhibit 3. Top 5 Industries, by Jobs Supported.

IMPLAN Industry	Jobs
Hotels and motels	113
Full-service restaurants	100
Other personal services	30
Limited-service restaurants	30
Museums, historical sites, & parks	8

Exhibit 4 estimates the cumulative taxes that would accrue to Cole County, Jefferson City, and other towns within the county over the 13 years (2025–37) due to the project. During that time, more than $13.8 million in new tax revenues are projected for local governments in the county. See the methodology section for details on how the economic model estimates local taxes.

Exhibit 4. Fiscal Benefits to Cole County and Municipalities.

County/City Fiscal Benefits (2025 - 2037)
$13,846,006

Rest-of-Missouri Economic Impacts

The construction and operation of the Jefferson City conference center and hotel will have spillover impacts in other Missouri communities. Although direct spending will occur in Cole County, some supply chain businesses and workers will be located or live outside the county. These rest-of-Missouri indirect and induced spending impacts bring employment and financial benefits to other parts of the state, as shown in Exhibit 5.

Exhibit 5. Economic Impact — Rest of Missouri.

Figures may not sum due to rounding. Jobs are annual averages. Employment income includes wages and other employer compensation. Money figures are cumulative and in 2024 dollars.

Construction	Impact	Employment	Employment Income	Value Added (GDP)	Gross Sales
2025 - 27	Indirect	26	$5.7 M	$9.5 M	$20.5 M
	Induced	58	$9.7 M	$17.8 M	$31.3 M
	Total	**85**	**$15.4 M**	**$27.3 M**	**$51.8 M**

Operations	Impact	Employment	Employment Income	Value Added (GDP)	Gross Sales
2028 - 37	Indirect	16	$9.2 M	$15.2 M	$30.5 M
	Induced	24	$13.5 M	$24.8 M	$43.6 M
	Total	**41**	**$22.7 M**	**$40.0 M**	**$74.1 M**

Combined	Impact	Employment	Employment Income	Value Added (GDP)	Gross Sales
2025 - 37	Indirect	18	$14.9 M	$24.7 M	$51.0 M
	Induced	32	$23.1 M	$42.6 M	$74.8 M
	Total	**51**	**$38.1 M**	**$67.3 M**	**$125.8 M**

Total Missouri Economic Impacts

The economic activity due to the construction and operation of the conference center would be felt primarily in Cole County; however, the ripple effects would extend beyond county borders. Exhibit 6 highlights the expected economic impacts to Cole County and the rest of Missouri throughout the 13 years (2025-37).

Exhibit 6. Economic Impact — Total Missouri.

Construction	Impact	Employment	Employment Income	Value Added (GDP)	Gross Sales
2025 - 27	Direct	383	$72.6 M	$74.2 M	$133.5 M
	Indirect	67	$13.4 M	$22.8 M	$49.2 M
	Induced	139	$21.8 M	$41.0 M	$72.5 M
	Total	**588**	**$107.8 M**	**$138.0 M**	**$255.3 M**

Operations	Impact	Employment	Employment Income	Value Added (GDP)	Gross Sales
2028 - 37	Direct	259	$81.8 M	$130.9 M	$239.9 M
	Indirect	59	$33.7 M	$54.8 M	$118.1 M
	Induced	55	$29.0 M	$54.5 M	$96.4 M
	Total	**373**	**$144.5 M**	**$240.2 M**	**$454.5 M**

Combined	Impact	Employment	Employment Income	Value Added (GDP)	Gross Sales
2025 - 37	Direct	287	$154.4 M	$205.2 M	$373.4 M
	Indirect	61	$47.1 M	$77.5 M	$167.4 M
	Induced	75	$50.8 M	$95.4 M	$169.0 M
	Total	**423**	**$252.3 M**	**$378.1 M**	**$709.7 M**

Economic Impact Methodology

The estimates for new jobs, employment income, value added (GDP), gross sales, and fiscal impacts were derived using IMPLAN, an input-output economic model. This model is widely used by development professionals and researchers to analyze the broader effects of business activities. IMPLAN data are updated annually from three main sources: the U.S. Bureau of Labor Statistics, the Bureau of Economic Analysis and the Census Bureau.

The fiscal projections from the IMPLAN model are county-level tax revenue estimates primarily based on U.S. Census Bureau state-level data on sales, income, property and other taxes that are allocated to counties using a variety of factors. Due to this tax allocation process, IMPLAN figures should be considered a broad estimate. The fiscal revenue estimate was adjusted for this project to add the local 7% city lodging tax, and to subtract direct property taxes IMPLAN estimates because the facility would be exempt as it is proposed to be publicly owned and would thus be exempt from property taxes.

The impact analysis was informed by interviews with Jefferson City Regional Economic Partnership (JCREP), Global Commercial Real Estate Services (CBRE), and other city officials. A market study (PDF) (jcrep.org/wp-content/uploads/2024/07/CB24US027018-1_Proposed-JC-Conference-Hotel-PUBLIC.pdf) of the conference center hotel, conducted by CBRE, provided key figures and the share of spending generated from induced demand — group activity and leisure travel sales that would not occur in Jefferson City unless the new facility was in operation.

Induced group and leisure travel demand provides benefits to the city beyond the hotel and conference center sales, as travelers eat, shop, and visit other businesses and sites in the area. Average visitor spending on transportation, food and beverage, retail, and recreation services were informed by spending analysis provided by the Jefferson City Convention and Visitors Bureau. It was assumed that 75% of corporate and group visitor food and beverage spending would occur at the conference center hotel, sales already captured in the market study, and 25% of this spending would occur at other area restaurants. The leisure travel visitor was assumed to spend 75% of their food and beverage daily spending outside of the conference center and hotel, with 25% captured by the conference center and hotel restaurant.

Regional Spending Effects in an Economic Model

Economic models track the flow of spending that moves around an economy through primary relationships between businesses and consumers. Models consider items companies typically purchase to produce goods or services, where those companies are located, and how workers spend the income they earn from making consumer products and services. The models follow these spending patterns to understand the larger economic impacts that circulate within a county and to what extent income leaks out due to imports. Spending effects describe how a business' final sales cause money to flow to regional supply chains and consumer-oriented firms to support additional jobs, wages, profits and taxes. These spending impacts can be broken out as direct, ripple and total effects.

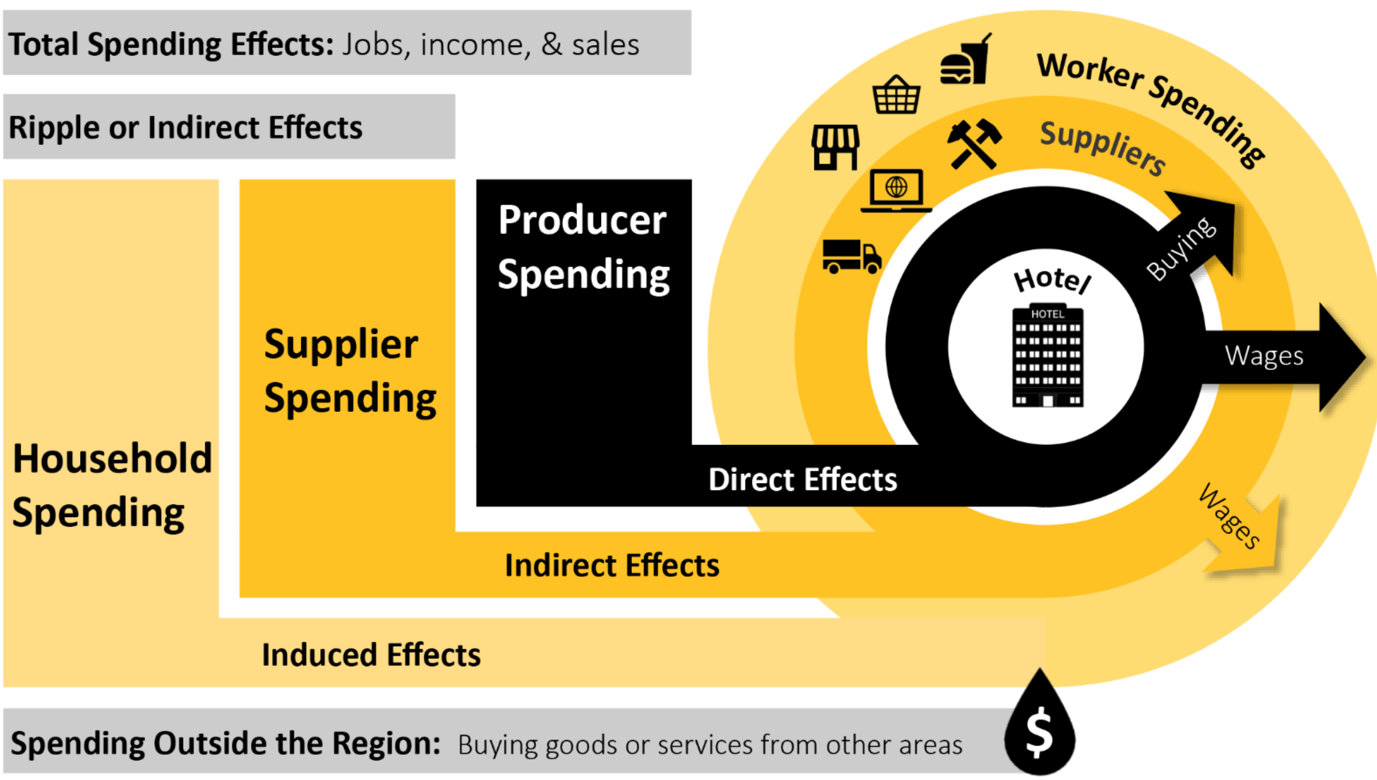
Direct effects include the revenue, employment income and jobs that come from selling a product or service for consumption. For the conference center and hotel, services include hotel room, restaurant, retail and rental sales. To make these sales, the owners invest in buildings, equipment and technology; buy supplies and services; and employ full- and part-time workers. Direct effects drive the other ripple spending effects in a county's economy.

Ripple effects are impacts of spending that have two parts:

- *Indirect effects* are impacts from supply-chain purchases. For example, a hotel buys supplies from a wholesaler, which purchases goods from a manufacturer. At each step in the supply chain, some purchases are made outside the county or state for specialized inputs or price considerations. That spending leaks out of the county during each cycle of purchasing.
- *Induced effects* capture the household spending of individuals who own and work for the hotel, restaurants or suppliers. For example, the workers purchase groceries and clothing in the local economy.

Total effects combine the direct effect of jobs and income from a business with the indirect effects of supplier and induced household spending within a county; these effects support additional employment and wealth. The diagram of spending flows in Exhibit 7 further illustrates the regional spending ripple effect that input-output models like IMPLAN describe.

Exhibit 7. Economic Model of Spending Flows: Hotel Example.



Economic Analysis Terms

The IMPLAN model shows how direct spending can have monetary and labor ripple effects that benefit businesses and workers in a community. Key spending effect figures include:

- **Gross Sales** (or Gross Output) estimates the total value of all sales, including the input cost of making a good or service along with the money received when that product is sold for final use.

- **Value Added**, or **Gross Domestic Product** (**GDP**), is the value-added part of total sales that represents new wealth to the community. Value-added deducts the cost of goods and services from total sales to show what new money from final sales is left to pay wages, profits, rents, interests and taxes.
- **Employment Income**, which captures wages, benefits and owner pay, are a part of the value-added impact. It represents all spending, including health, retirement and other benefits directed to workers, and income earned by proprietors.
- **Employment** estimates annual average numbers of full- or part-time jobs needed for business operations.

Economic Model Limitations

Although IMPLAN is an excellent tool for understanding spending impacts, input-output models have some underlying limitations, including these:

- No supply constraints: The model assumes no supply constraints on products, services or labor that would alter industry inputs. Although the model can be adjusted if specific constraints are known, rarely will such detailed industry information be available, and those constraints can change periodically depending on broader economic conditions.
- Static input structure: The model is based on national and state survey information and assumes that the type and ratio of inputs needed by an industry are fixed. The model also assumes a constant return to scale and technology use.
- Backward-linked structure: The model considers an industry's input supply chain effects and does not account for forward-linkage effects.