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# Economic Impacts of Milan Exhibition Center and West Tennessee Agricultural Museum Enhancement Initiative

## Milan Exhibition Center

In order to provide an improved venue for various educational events for the West Tennessee area, an Exhibition Center is being proposed at the Tennessee Agricultural Experiment Station's (TAES) Research and Education Center at Milan. In addition, the Exhibition Center will serve as an avenue for enhanced economic development for the Milan Community. Currently, the Research and Education Center at Milan annually hosts several thousand attendees at technology transfer events and history/heritage education programs. Since 1981, the Milan No-Till Field Day has drawn as many as 11,000 attendees. To accommodate the field day attendees and exhibitors each time an event is held, tents with a total covered area of 12,000 square feet are rented to provide exhibit space. Further, tents are rented each year for the Fall Folklore Jamboree that attracts exhibitors and as many as 2,500 people. The Folklore Jamboree is a living-history education program of the West Tennessee Agricultural Museum that is managed as part of the Research and Education Center at Milan.



Located adjacent to the West Tennessee Agricultural Museum, the Milan Exhibition Center will replace the need for renting tents and will provide a more professional exhibition space for various TAES sponsored events. Existing heavy community use of the meeting room located in the museum illustrates the demand for such a resource making the Exhibition Center an asset to the Milan community. The exhibit hall will complement the meeting room in the museum and provide a resource that will allow significant community events such as lawn and garden shows, various trade exhibits, larger banquets, etc., and will encourage and provide an avenue for enhanced economic development in the Milan community.



The proposed Exhibition Center will have the following characteristics:

1. Single structure with 12,000 square feet net clear floor space for exhibits;
2. Outside appearance and finish complementary to the Agricultural Museum and the Research and Education Center headquarters buildings;
3. Adjacent parking lot of adequate size for 2,000 guests on-site at any one time;
4. Adequate toilet facilities for a group of 2,000;
5. Adequate HVAC for year round operation;

6. Lighting, electrical service, and electronic projection equipment compatible with flexible exhibit booth and room arrangements;
7. Movable partitions that permit dividing the exhibit area into multiple rooms;
8. Adequate storage space for tables, chairs, booth partitions and drapes, including miscellaneous supplies;
9. Food service support capacity for feeding as many as 1,500 people at one sitting; and
10. Space and infrastructure for six food-serving concession booths.

## Estimated Economic Impacts

Economic impacts occur when expenditures are used to purchase inputs and labor at the TAES in Milan which result in additional economic activity to Gibson and its adjacent counties. Employed individuals also purchase goods and services within the region. For this analysis, there are two major impact levels. One is the annual impacts associated with events held at the exhibition center, along with the event attendees, including wages and salaries for existing and future new employees. Also included are operating budget estimates for the Exhibition Center, Agricultural Museum, and TAES in Milan. This analysis is based on 30 single day events per year with an average attendance of 1,500 per event. Next, is the one-time or non-reoccurring impacts for constructing the Exhibition Center.

### Annual

Event attendees may have lodging expenditures in some instances, restaurant visits, fuel purchases, plus other retail purchases (clothing, souvenirs, etc.). Likewise, event exhibitors

	Direct	Indirect	Induced	Total
Total Industry Output	\$4,560,000	\$684,294	\$1,609,940	\$6,854,098
Employment	86	7	19	112

will have similar expenditures including rental fees for booth space at the new exhibition center. For the annual operating impacts, direct estimated impacts are \$4.5 million (2007 dollars) (Table 1) resulting in a total estimated economic impact of \$6.8 million. The output multiplier is 1.50. In other words, for every dollar spent on annual operating activities, an additional fifty cents of economic activity is generated. This economic activity results in the creation of 112 full and/or part time jobs.

### Investment

The economic impacts for constructing the Milan Exhibition Center are shown in Table 2. A direct investment of \$4.4 million (2007 dollars) for the new office building and exhibition center results in a total estimated economic impact of \$6.8 million. This economic activity results in the creation of an

	Direct	Indirect	Induced	Total
Total Industry Output	\$4,400,000	\$910,689	\$1,535,412	\$6,846,100
Employment	49	9	17	75

estimated 75 jobs. The output multiplier for the construction phase of the project is 1.55. Likewise, for every dollar spent on construction activities, an additional fifty-five cents of economic activity is generated.

<sup>1</sup> Economic impacts result because the Milan Exhibition Center purchases goods and services from other industries (Direct impacts). In turn, those industries would need to purchase goods and services from other industries (Indirect impacts). In addition, household and institutional spending would increase due to the added industry activity (Induced impacts) resulting from the initial Exhibition Center purchases. The Total Industry Output (value of production) measures the impact of the expenditure. The numbers of jobs created are an estimate of the number of full and part time positions required to meet the change in demand for goods and services. These impacts are measured through an input-output model called IMPLAN, which is used in this analysis.