

Arcoiris Daycare



A proposed child daycare center in La Joya, Texas

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La Joya Economic Development Corporation

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NARRATIVE

The City of La Joya DAYCARE FACILITY CONSTRUCTION PROJECT is a building construction and remodeling project completed in one phase on approximately 1.352 acres of land located off E. 5th Street in La Joya, Texas - - in the near vicinity of Tabasco Elementary School, and adjacent to the Hidalgo County Head Start Program facility.

Other schools, churches, parks and public services are located in close proximity to this construction site, and will serve Arcoiris Child Daycare Center as potential sources for new customers. This project takes advantage of several factors unique to the local childcare market, as well as desired incentives that are available from the City of La Joya for this particular project, specifically:

- ❖ A strong local demand for affordable childcare as evidenced by data that suggests that **26.6%** of the families within the immediate area have children under the age of six;
- ❖ Incentives that include access to a flexible source of capital that can be used in combination with other conventional sources;
- ❖ Investment highlights that include:
 - a) Total development costs of over \$181,000;
 - b) No developer equity investment, and
 - c) Highly anticipated signed enrollment agreements prior to construction completion.

The additional capital cost for improvements to an already developed site would be in the area of about \$12,800 in the City of La Joya with local labor.

- ❖ Economics:
 - a) Size of structure 3,200 square feet
 - b) Area to be developed 1.352 acres
 - c) Direct person employment (not including construction or sales) 8 employees
 - d) Construction employment 5 employees
 - e) Direct payroll \$ 173,600 annually
 - f) Economic multiplier (x5) \$ 868,000 annually
 - g) Property tax revenue (@ \$0.5700 per \$100) \$ 1,277 annually
 - h) Utility services revenue (Water and Wastewater) \$ 4,800 annually

* Methods of assessment and taxation are statutory, therefore they are relatively easy to predict compared with other community outcomes. An Annual Community Benefit Report to measure ad valorem taxes and sales tax payments will be conducted so that these can provide a reliable guide to future projections.