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**ECONOMIC AND FISCAL IMPACTS OF THE CLIFFS COMMUNITIES
ON THE UPSTATE REGION OF THE CAROLINAS**

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Economic and Fiscal Impacts of the Cliffs Communities

On The Upstate Region of the Carolinas

I. INTRODUCTION

For many years, the communities in the northern reaches of the upstate in South Carolina and bordering areas in North Carolina were known as rural enclaves that enjoyed scenic amenities associated with mountain lakes and streams – but lacked strong economic bases. Over the past decade, however, residential development in this region has emerged as an important component of the local economy – attracting retirees as well as commuters to proximate urban areas like Greenville, SC and Asheville, NC. In this report, we document the impacts that the Cliffs Communities have had on the residential and economic development of the upstate region (defined in this report as Buncombe County, NC, and Greenville, Pickens and Oconee Counties in SC).

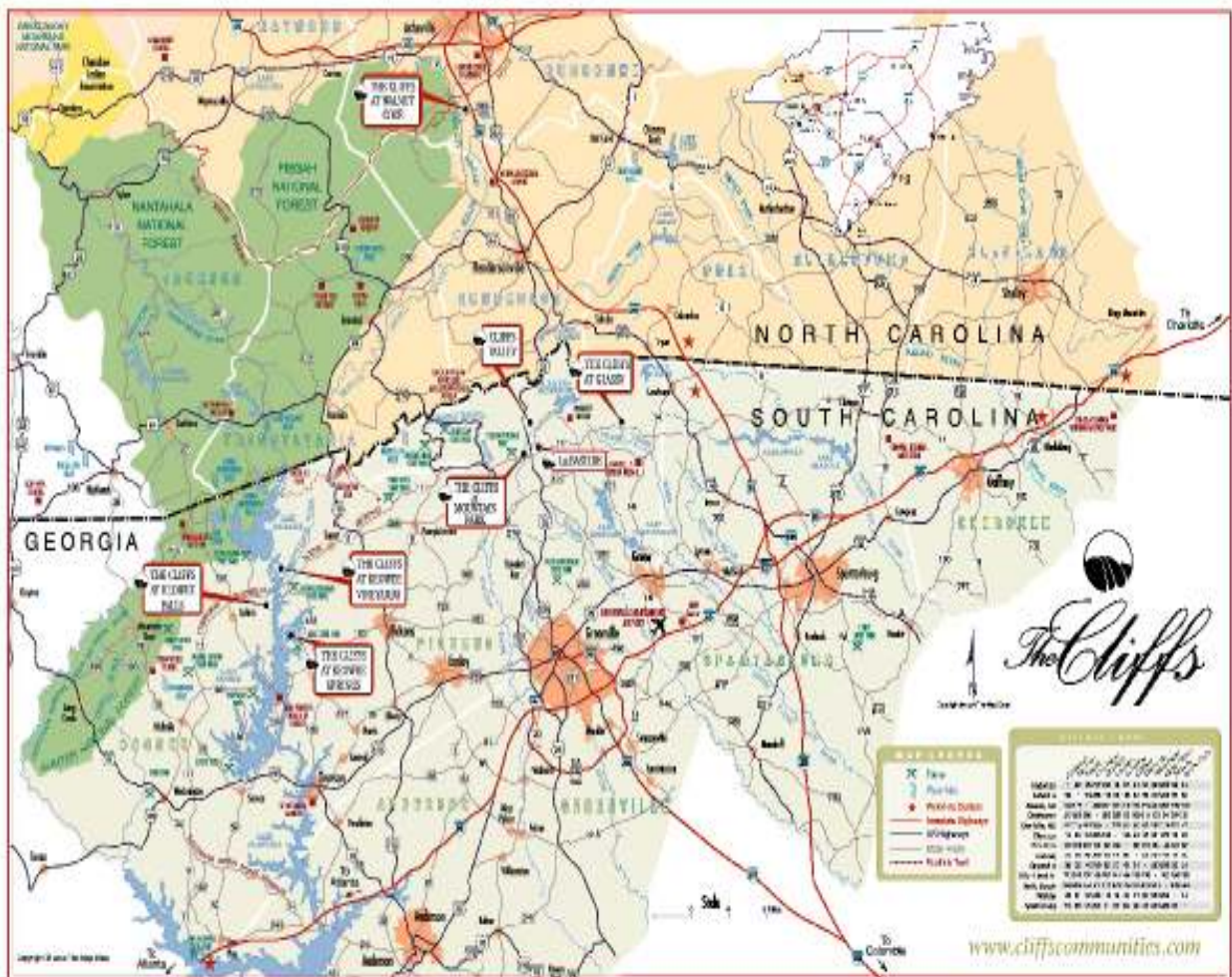
In 1991, Cliffs Communities, Inc., a residential development company based in Travelers Rest, SC, established The Cliffs at Glassy in northern Greenville County. By mid 2006, seven Cliffs Communities had been established (see Figure 1). The most recent development in this group of seven communities is the Cliffs at Mountain Park, announced in April 2006. Mountain Park is a 5,000 acre residential and commercial development in northern Greenville County developed by Cliffs Communities and the Gary Player Group, Inc. Development plans include 5,100 home sites, extensive recreational facilities, and business properties to serve the needs of village residents. In the summer of 2007, an eighth community, The Cliffs at High Carolina, was announced to the public. It is located in the Blue Ridge Mountains east of Asheville, North Carolina and will be home to the first golf course in the United States designed by Tiger Woods. Because the Cliffs at High Carolina had not begun operations by 2006, it is not included in the impact analysis in this report that uses 2006 as the base year for assessing the contributions that the Cliffs Communities make to the regional economy.

The purpose of this report is to document the economic and fiscal contributions of the Cliffs Communities to the four county region that contains the seven communities. By February 2006, there were 862 homes constructed at the various Cliffs Communities with an expected buildout of 7,182 over the next decade. At buildout in 2016, new homes and recreational facilities in the seven Cliffs Communities will generate a multi-billion dollar tax base for local governments. While the construction of new homes will add new jobs and income to the area over the next decade, the pace of construction will slow as buildout is completed. However, consumer spending by new residents in the Cliffs Communities will provide a sustained long run economic impact on the regional economy.

As demonstrated below, the consumer spending impacts are substantial – approaching \$900 million annually (in 2006 constant dollars) by 2016. Infrastructure and amenity investments

at the Cliffs include water and sewer lines, streets, trails, an equine center, golf courses, club houses, hotel and sales center, restaurants, village stores, EMS/fire station/security facilities, marinas, boat docks, and recreation and fitness centers. Construction of amenities and infrastructure by Cliffs adds to the economic impact on the regional economy. While these impacts will vary yearly with construction schedules, by 2016 approximately \$145 million will be required annually to operate and maintain the various amenities and infrastructure investments.

Figure 1. Location of Cliffs Communities, 2006



Source: www.cliffscommunities.com

Each of the three sources of major spending associated with the Cliffs Communities,

- home construction
- new resident consumer spending, and
- construction, operation and maintenance of amenities and infrastructure

provide injections of new dollars into the regional economy. In the sections of the report that follow, the total economic impact on the regional economy that is associated with these spending injections is estimated using an economic model for each of the four counties in the region: Buncombe County, NC, Greenville County, SC, Oconee County, SC and Pickens County, SC. These models (Impact Model for PLANning or IMPLAN) convert direct spending from each of the three main sources noted above into estimates of total output (sales), income (wages/salaries, rent, interest and profits) and employment needed to support the economic activity generated by the Cliffs Communities. Finally, public sector impacts from the Cliffs Communities are estimated. The methods and data used to derive the above economic and fiscal impacts are summarized in the following sections.

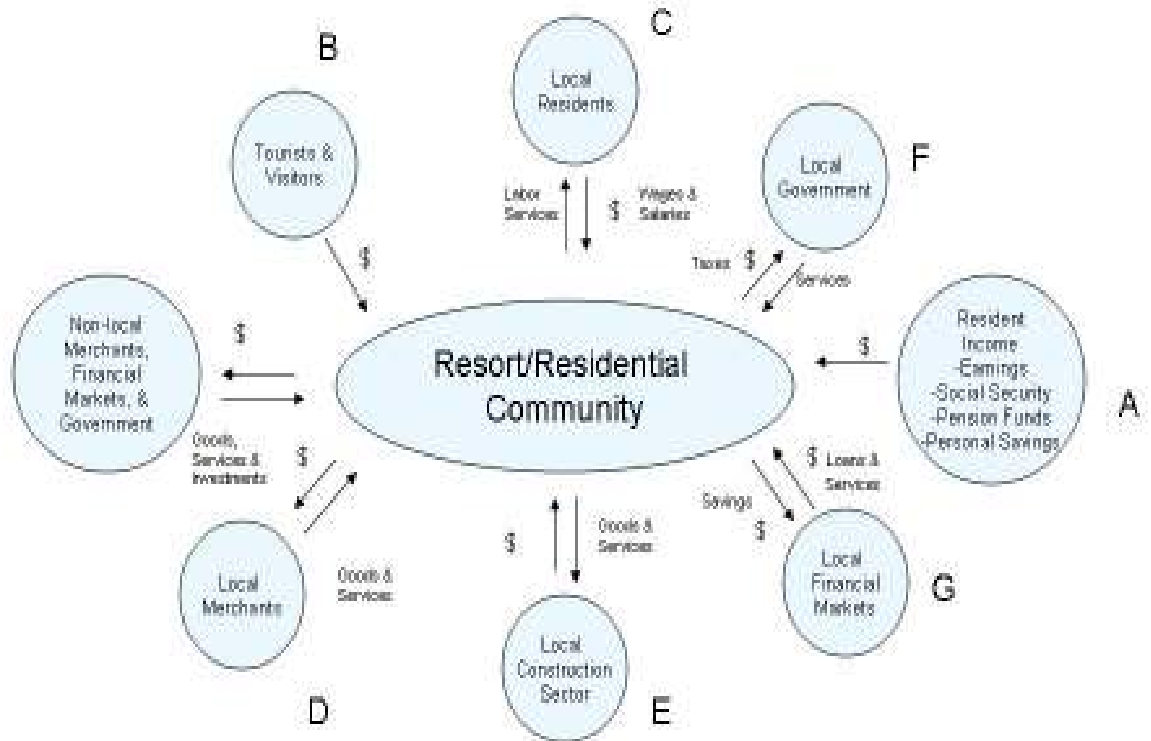
The Cliffs Communities also draw visitors to the region that search for retirement or second home locations as well as the participants and gallery in local golf tournaments. Spending by out of region visitors adds new dollars to the local economy as well. However, visitor impacts are small relative to the residential and construction impacts, and require survey data that are not available. Accordingly, no estimates of visitor impacts are provided in this report.

II. CLIFFS COMMUNITIES AND ECONOMIC GROWTH

Private Sector Impacts. Planned developments that attract new residents provide an important stimulus for local economic growth and development. The potential impact a residential development has on a county may be illustrated by tracing the flows of goods and payments through the local economy (Figure 2). The residential development initiates the growth process by bringing new dollars to the local economy. The principal sources of these dollar flows will be resident income (A) and spending by tourists and visitors to the community (B). Many of the dollars attracted to the planned community are then distributed throughout the local economy to: households for labor services (C), local businesses for goods and services (D), local building firms for new home construction (E), government for public services (F), and local financial institutions for financial services (G).

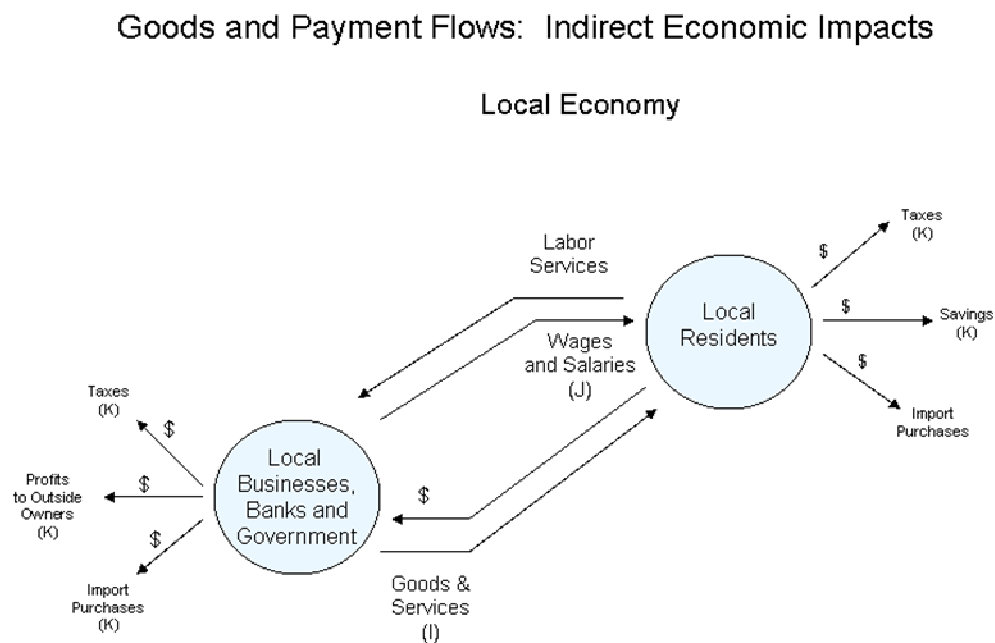
Figure 2.

Goods and Payment Flows: Direct Economic Impacts



The income and jobs generation process generally does not stop after only one round of spending. Households and businesses spend their new incomes for locally provided goods and services, and this round of spending creates new jobs which in turn stimulate additional rounds of spending. As illustrated in Figure 3, each round some of the income received by households and local businesses is spent on goods and services acquired outside the local economy (e.g., purchases of goods in neighboring communities, state and federal tax payments, profits or savings invested elsewhere, non-local input acquisitions). These flows of funds outside the community (“leakages”) result in less spending available for following rounds and a smaller multiplier effect.

Figure 3



In sum, a planned residential community attracts people who spend money

stimulating income and employment growth in the local economy. The jobs provided are primarily in the construction, retail, and service industries. *In addition, economic activity in retirement areas is relatively stable over business cycles since the principal income sources (pensions, annuities, social security) tend to grow at a moderate and steady pace over time.*

Public Sector Impacts. Spending by new residents of the Cliffs Communities, the Cliffs Communities, Inc. and the income generated by these expenditures result in added local tax revenues -- primarily property and local option sales taxes. The additional revenue raised provides local governments with opportunities to invest in infrastructure and services for local citizens. To the extent that people who build houses in the Cliffs Communities have few school-age children, school districts are likely to gain additional revenue without the responsibility of providing education to more students. Of course, local governments may incur added costs for provision of some services with growth of the residential population in the Cliffs Communities.

III. ECONOMIC IMPACTS OF CLIFFS COMMUNITIES ON THE REGIONAL ECONOMY – THE PRIVATE SECTOR

Cliffs Communities provide two principal private sector economic benefits to the regional economy:

1. Construction, marketing, and facilities operations at each of the seven Cliffs Communities create new jobs and income. And as these communities add more full-time residents to the county, these residents purchase new homes, consume local goods and services, and draw visitors to the county (*direct effects*).
2. Jobs and incomes generated at the Cliffs Communities lead to additional economic activity in the region as dollars are re-spent for local goods and services (*indirect and induced effects*).

Direct economic effects are translated into their corresponding total impacts using IMPLAN. Since most Cliffs Communities are imbedded in metropolitan areas dominated by Greenville County in SC and Henderson County, NC, many of the purchases of goods and services by local businesses, the Cliffs Communities, Inc., and residents of the Cliffs Communities are made in the regional economy. Below, we report impacts for the four county region, and for each of the impacted counties separately.

In reporting our results, we group the private sector benefits into four categories: (1) Cliffs Communities operating expenditures; (2) Cliffs Communities investments in amenities and infrastructure; (3) Personal Consumer Expenditures (PCE) by residents of the Cliffs Communities; and (4) new home construction expenditures by Cliffs Communities residents. Our focus is the contribution of each component to the employment and income in the county in 2006 and the impacts expected at buildout – a decade later, 2016.

A. PRIVATE SECTOR IMPACTS ON THE FOUR COUNTY REGION.

Cliffs Communities, Inc.

Cliffs Communities, Inc. provides direct employment and income impacts on each county through amenity/infrastructure development, and administrative and marketing activities (including lodge, restaurant operations, golf courses and other amenity operations). In 2006, Cliffs Communities, Inc. spent \$88,791,465 for administration, marketing, and operations at the various Cliffs Communities. These activities required 702 full-time equivalent employees at Cliffs Communities, Inc. in 2006 with the total expected to grow to 1,257 over the next decade (Table 1).

TABLE 1. NUMBER OF CLIFFS EMPLOYEES

YEAR	TOTAL	GREENVILLE CO. TOTAL	PICKENS CO. TOTAL	OCONEE CO. TOTAL	BUNCOMBE CO TOTAL
2006	702	273	159	0	270
2007	877	323	234	50	270
2008	1,127	398	309	150	270
2009	1,277	448	409	150	270
2010	1,277	448	409	150	270
2011	1,267	438	409	150	270
2012	1,267	438	409	150	270
2013	1,267	438	409	150	270
2014	1,257	428	409	150	270
2015	1,257	428	409	150	270
2016	1,257	428	409	150	270

Total (direct + indirect + induced) gross output (sales) in 2006 in the four county region resulting from the \$88.8 million Cliffs Communities administration, marketing, and service expenditures was \$178.1 million (See Table 2.) Total income earned from these Cliffs Communities expenditures was \$110.7 million. Income includes wages, salaries, rents and profit type income. Total employment associated with these expenditures was 1,849 jobs. Using constant 2006 prices, the total income impacts from these operations are expected to be \$180.3 million in 2016, generating about 3,000 jobs in the region. These totals are shown in Table 2. In later discussion, we recognize that some of these impacts (about 80%) are associated with amenity services that are a result of resident consumer expenditures. In computing total impacts in subsequent sections of this report, we adjust the operating expenditures impacts to 20% of the total to avoid double counting since consumer spending impacts capture the effects of resident spending on Cliffs Communities amenities.

TABLE 2. CLIFFS OPERATING EXPENDITURES

YEAR	2006 PRICES		PERCENT OF PRIOR YEAR	IMPACTS: IN 2006 PRICES		EMPLOYMENT
	TOTAL	INCREASE		OUTPUT	INCOME	
2006	\$88,791,465	\$4,228,165	105.0%	\$178,104,682	\$110,661,854	1,849
2007	\$93,231,038	\$4,439,573	105.0%	\$187,009,916	\$116,194,947	1,942
2008	\$97,892,590	\$4,661,552	105.0%	\$196,360,412	\$122,004,694	2,039
2009	\$102,787,220	\$4,894,630	105.0%	\$206,178,433	\$128,104,929	2,141
2010	\$107,926,581	\$5,139,361	105.0%	\$216,487,355	\$134,510,175	2,248
2011	\$113,322,910	\$5,396,329	105.0%	\$227,311,722	\$141,235,684	2,360
2012	\$118,989,055	\$5,666,145	105.0%	\$238,677,308	\$148,297,468	2,478
2013	\$124,938,508	\$5,949,453	105.0%	\$250,611,174	\$155,712,342	2,602
2014	\$131,185,433	\$6,246,925	105.0%	\$263,141,733	\$163,497,959	2,732
2015	\$137,744,705	\$6,559,272	105.0%	\$276,298,819	\$171,672,857	2,868
2016	\$144,631,940	\$6,887,235	105.0%	\$290,113,760	\$180,256,500	3,012

1. Cliffs Amenity Construction Impacts. As noted above, Cliffs has invested in a wide range of amenities --- trails, an equine center, golf courses, club houses, hotel and sales center, restaurants, village stores, marinas, boat docks, and recreation and fitness centers. Future investments will include spas and nature based amenities including an arboretum. By the end of 2005, the market value of these amenities was about \$122 million. By 2016, the value of the stock of Cliffs Communities amenities rises to about \$462 million in constant 2006 prices. As shown in Table 3, the construction activities from the added amenity investments underway and planned from 2006 through 2011 total almost \$ 340 million.

TABLE 3. AMENITY CONSTRUCTION BY CLIFFS

YEAR	2006 PRICES		NEW CONSTRUCTION	PERCENT INC AMENITIES	IMPACTS: IN 2006 PRICES		
	END OF YEAR				OUTPUT	INCOME	EMPLOYMENT
2006	\$142,151,662		\$19,717,501		\$32,914,520	\$16,502,280	485
2007	\$207,003,991		\$64,852,329	46%	\$126,864,473	\$61,029,439	1,473
2008	\$307,460,462		\$100,456,471	49%	\$202,298,789	\$99,226,151	2,541
2009	\$390,316,034		\$82,855,572	27%	\$156,882,271	\$69,837,142	1,990
2010	\$447,312,688		\$56,996,654	15%	\$113,280,584	\$50,232,047	1,355
2011	\$462,142,740		\$14,830,052	3%	\$32,314,816	\$15,291,509	346
2012	\$462,142,740		\$0	0%	\$0	\$0	0
2013	\$462,142,740		\$0	0%	\$0	\$0	0
2014	\$462,142,740		\$0	0%	\$0	\$0	0
2015	\$462,142,740		\$0	0%	\$0	\$0	0
2016	\$462,142,740		\$0	0%	\$0	\$0	0
	TOTAL 2006 ON		\$339,708,579				

Impacts associated with construction of *new* amenities after 2006 vary over time as shown in Table 3. At the construction peak in 2008, these activities generate about \$202 million in output, \$99 million in income and 2,541 jobs.

2. Cliffs Infrastructure Construction/Operations Impacts. Cliffs has also invested in a wide range of infrastructure – primarily site development, roads and utilities. By 2006, the level of annual spending on infrastructure was about \$33 million. We estimate that the Cliffs operations for non amenities (primarily for administration and marketing) was about \$17 million in 2006 (this is 20% of the total in Table 2). As shown in Table 4, infrastructure investment continues over most of the next decade.

TABLE 4. INFRASTRUCTURE INVESTMENT / OPERATING BY CLIFFS				ALL CLIFFS		
2006 PRICES	NEW	OPERATING	IMPACTS: IN 2006 PRICES			
YEAR	CONSTRUCTION	EXPENSES	OUTPUT	INCOME	EMPLOYMENT	
2006	\$33,123,132	\$16,912,660	\$101,900,235	\$54,585,715	1,170	
2007	\$32,277,424	\$17,758,298	\$97,766,185	\$51,814,677	1,171	
2008	\$30,454,295	\$18,646,209	\$96,990,636	\$51,869,313	1,148	
2009	\$33,622,085	\$19,578,519	\$104,200,745	\$55,654,599	1,235	
2010	\$34,883,095	\$20,557,445	\$107,418,041	\$57,562,346	1,251	
2011	\$33,884,352	\$21,585,317	\$107,979,672	\$58,505,490	1,240	
2012	\$25,755,669	\$22,664,582	\$95,725,257	\$53,225,981	1,074	
2013	\$5,217,545	\$23,797,811	\$60,847,988	\$36,508,763	633	
2014	\$0	\$24,987,702	\$52,628,347	\$32,699,592	546	
2015	\$0	\$26,237,087	\$55,259,764	\$34,334,571	574	
2016	\$0	\$27,548,941	\$58,022,752	\$36,051,300	602	

From 2007 through 2011, direct infrastructure construction activities are over \$30 million per year before falling to about \$26 million in 2012, and \$5 million in 2013. To the impacts on output, income and employment from investments in infrastructure, we add 20% of the impacts shown in Table 2 from operating expenses needed to maintain infrastructure and to administer the Cliffs Communities, Inc. Output impacts from infrastructure investments and non amenity operations peak in 2010 at \$108 million. This is associated with about \$58 million in income and 1,251 jobs. These impacts do not include expected infrastructure investments at High Carolina in Buncombe County, NC.

Cliffs Communities Residents.

The most important and enduring economic impacts from Cliffs Communities on the four region economy are from the residents of the communities. Residents stimulate the local economy in two ways -- through home construction and expenditures for goods and services. Again, future residents at High Carolina are not included in these estimates.

3. Home construction. By early 2006, 832 single-family residences were completed across the seven Cliffs Communities established by 2006. The average value of homes under construction (excluding lot) was \$1,085,000 and total construction expenditures were \$241,955,000 in 2006 alone (see Table 5). The 2006 construction expenditures resulted in 4,356 jobs and \$188 million in income accruing to local residents in the four regional counties alone.

TABLE 5. HOME CONSTRUCTION IMPACTS (LOT VALUE NOT INCLUDED)			ALL CLIFFS			
2006 PRICES			IMPACTS: IN 2006 PRICES			
YEAR	END YEAR	NEW CONSTRUCTION	OUTPUT	INCOM	EMPLOYMEN	
2006		\$781,147,123	\$241,955,000	\$466,960,592	\$188,179,990	4,356
2007		\$1,344,262,123	\$563,115,000	\$1,091,091,966	\$441,640,735	10,124
2008		\$2,143,907,123	\$799,645,000	\$1,545,469,261	\$624,054,532	14,380
2009		\$3,007,567,123	\$863,660,000	\$1,691,871,321	\$691,479,542	15,505
2010		\$3,961,282,123	\$953,715,000	\$1,858,517,132	\$761,099,904	16,949
2011		\$4,910,657,123	\$949,375,000	\$1,842,026,867	\$754,323,120	16,753
2012		\$5,878,477,123	\$967,820,000	\$1,878,424,308	\$771,192,108	17,023
2013		\$6,642,317,123	\$763,840,000	\$1,506,680,831	\$624,120,661	13,522
2014		\$7,050,277,123	\$407,960,000	\$645,233,775	\$285,637,512	5,243
2015		\$7,321,527,123	\$271,250,000	\$497,416,583	\$220,200,555	4,042
2016		\$7,381,202,123	\$59,675,000	\$129,046,755	\$57,127,502	1,049

Impacts from new home construction rise steadily from 2006 to 2012 when 17,023 employees are attributed to home construction and linked activities. Peak output in 2012 is \$1.878 billion with \$771 million in regional income. After 2012, impacts begin to decline with only 1,049 home construction related employees in 2016 at buildout at the seven Cliffs Communities. See the appendix for new home construction projections by community and county. By 2016, the value of the housing stock (exclusive of lot costs) reaches about \$7.4 billion in 2006 dollars.

4. Personal Consumer Expenditures by Cliffs Residents. Eight hundred and thirty-two families resided in the Cliffs Communities by 2006. In Cliffs at Glassy, Valley, Walnut Cove, and Mountain Park, 80% of the current (or expected new) residents are twelve month residents and the remaining 20% are six month residents. At Vineyards, Falls South and Springs, 50% are year round residents and 50% are six month residents. We estimate that residents of Cliffs Communities in 2006 spent about \$139 million on goods and services based on an average family income of \$150,000. These personal consumption expenditures (PCE) generated total impacts of 1,872 jobs with \$96 million in local income, and about \$210 million in gross sales (output) (see Table 6). The local business sectors most affected by residents' spending are miscellaneous retail, eating and drinking establishments, food stores, health and educational services, and apparel.

It is important to note that the impacts from resident consumer spending rises steadily over time as the Cliffs Communities reach buildout in 2016. By the end of the ten year horizon, employment impacts in the region reach almost 12,000 jobs along with income of \$591 million and gross sales of \$1.3 billion in constant 2006 prices. Note that, unlike the construction impacts that are cyclical, these are sustained levels of economic impacts that are likely to grow over time in a steady fashion – providing a key economic base for the regional economy.

TABLE 6. IMPACTS FROM CONSUMER SPENDING BY CLIFFS RESIDENTS				-- ALL CLIFFS		
YEAR	2006 PRICES		PERCENT OF PRIOR YEAR	IMPACTS: IN 2006 PRICES		
	HOUSEHOLD CONSUMPTION (PCE)			OUTPUT	INCOME	EMPLOYMENT
2006	\$139,095,000			\$209,606,967	\$96,294,733	1,872
2007	\$203,130,000		146%	\$302,304,282	\$137,162,730	2,711
2008	\$293,850,000		145%	\$433,337,630	\$194,819,120	3,900
2009	\$392,962,500		134%	\$578,136,043	\$259,266,195	5,204
2010	\$502,290,000		128%	\$737,108,363	\$329,703,121	6,622
2011	\$610,852,500		122%	\$894,295,362	\$399,176,257	8,017
2012	\$721,710,000		118%	\$1,054,859,018	\$470,125,610	9,436
2013	\$810,180,000		112%	\$1,184,772,504	\$528,309,383	10,586
2014	\$858,667,500		106%	\$1,257,572,249	\$561,804,330	11,215
2015	\$891,562,500		104%	\$1,308,242,037	\$585,724,726	11,656
2016	\$898,987,500		101%	\$1,319,934,930	\$591,345,762	11,757

Total Private Sector Economic Impacts on the Regional Economy.

The jobs, income and gross sales (output) generated by Cliffs provide a significant contribution to the economy of the region. To gauge the size of these impacts, we sum over the impacts in Table 3 (Amenity construction), Table 4 (Infrastructure construction and 20% of Cliffs operating expenses), Table 5 (New home construction) and Table 6 (Personal consumption expenditures by residents of the Cliffs communities). Total Impacts from 2006 to 2016 are displayed in Table 7 and Figures 4, 5 and 6.

TABLE 7. TOTAL IMPACTS OF CLIFFS COMMUNITIES ON THE REGIONAL ECONOMY

YEAR	IMPACTS: IN 2006 PRICES		
	OUTPUT	INCOME	EMPLOYMENT
2006	\$847,003,251	\$377,695,089	8,253
2007	\$1,655,428,890	\$714,886,571	15,868
2008	\$2,317,368,399	\$994,370,055	22,377
2009	\$2,572,326,067	\$1,101,858,464	24,362
2010	\$2,859,621,591	\$1,225,499,453	26,627
2011	\$2,922,079,062	\$1,255,543,513	26,828
2012	\$3,076,744,044	\$1,324,203,193	28,028
2013	\$2,802,423,558	\$1,220,081,275	25,261
2014	\$2,008,062,717	\$912,841,026	17,551
2015	\$1,916,178,147	\$874,594,424	16,846
2016	\$1,565,027,188	\$720,575,865	14,011

Employment impacts rise from 8,253 in 2006 to a peak of 28,028 in 2012. After 2012, the added consumer related impacts are not enough to offset falling construction related impacts resulting in a decline in total employment impacts to a *sustainable level* of about 14,000 in Cliffs' related employment annually from 2016 and beyond. Similar stories are evident for income, which rises from about \$819 million in 2006 to \$1.3 billion in 2012, then declines to about \$720 million in 2016 (in constant 2006 dollars). Output increases from \$0.8 billion in 2006 to \$3.1 billion in 2012 and then falls to a sustainable \$1.565 billion in 2016. The substitution of increased consumer spending impacts for cyclical construction related impacts is illustrated in Figure 4 for employment, Figure 5 for income and Figure 6 for output.

Figure 4. Cliffs Employment Impacts by Source, 2006-2016 in the Upstate Region of the Carolinas

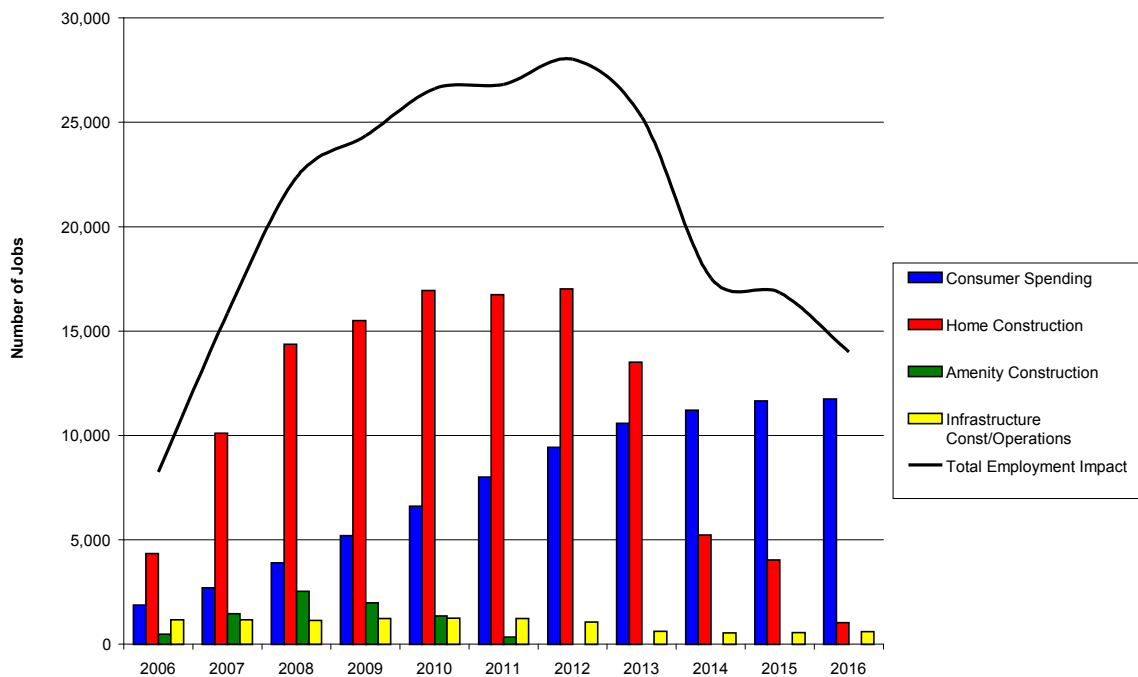
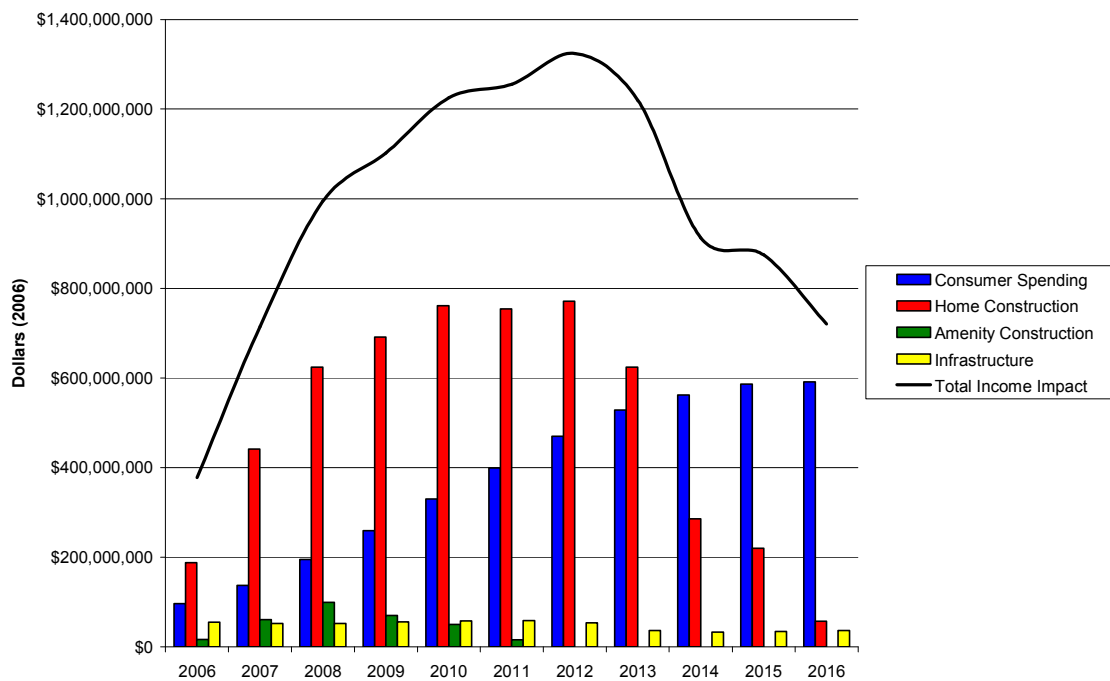
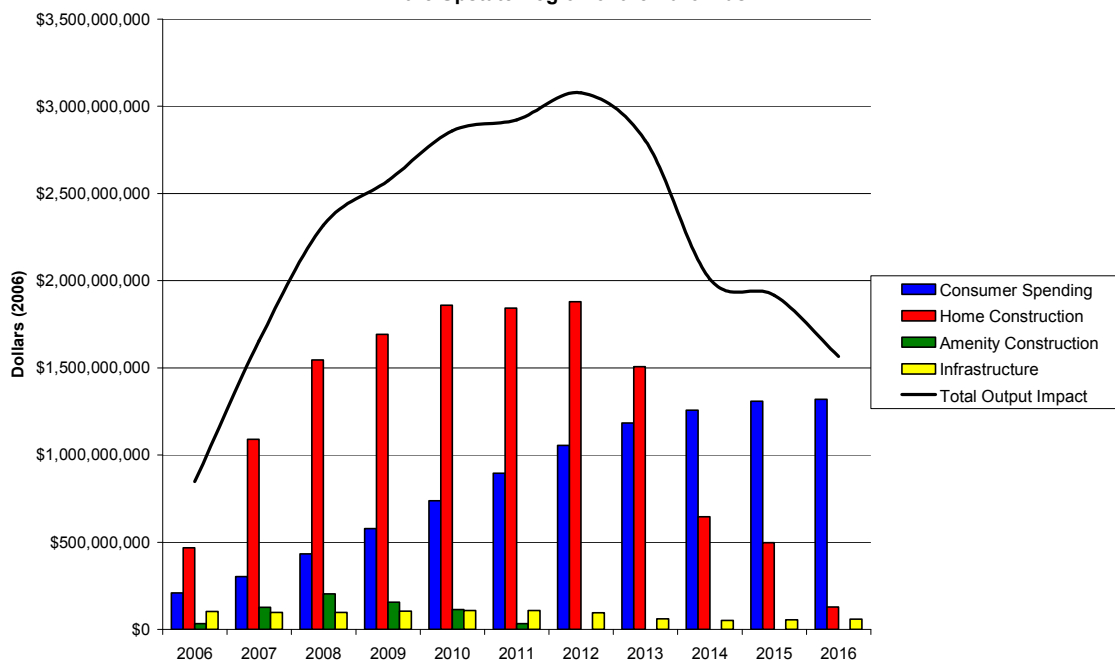


Figure 5. Cliffs Income Impacts by Source, 2006-2016 in the Upstate Region of the Carolinas



**Figure 6. Cliffs Output Impacts by Source, 2006-2016
in the Upstate Region of the Carolinas**



The next section of the report provides estimates of the private sector impacts of the Cliffs Communities on each of the four counties in the region. We begin with Greenville County, South Carolina.

B. PRIVATE SECTOR IMPACTS OF THE CLIFFS COMMUNITIES ON GREENVILLE COUNTY, SOUTH CAROLINA

Cliffs Communities located in Greenville, South Carolina include: The Cliffs at Glassy (1991), Cliffs Valley (1994) and The Cliffs at Mountain Park (2006) -- introduction year is shown in parenthesis. In addition, the La Bastide French Country Inn provides lodging and dining for visitors to the Cliffs Communities and the general public. Finally, corporate headquarters in Greenville County is the center for administrative and sales activities.

1. Cliffs Amenity Construction Impacts. Cliffs amenities investments in the Greenville County Communities include golf courses, club houses, hotel and sales center, restaurants, village stores, marinas, boat docks, trails, nature preserves and recreation and fitness centers. By the end of 2005, the market value of these amenities was about \$50 million. As shown in Table 8, amenity investment will increase over the next four years with Mountain Park accounting for much of the added investments. These investments will generate 1024 jobs at the peak year, 2008 along with \$96 million in output and \$49.4 million in income.

TABLE 8. AMENITY CONSTRUCTION BY CLIFFS

GREENVILLE COUNTY

YEAR	2006 PRICES		PERCENT INC AMENITIES	IMPACTS: IN 2006 PRICES		
	END OF YEAR	NEW CONST		OUTPUT	INCOME	EMPLOYMENT
2006	\$50,585,292	\$220,000		\$472,236	\$229,003	5
2007	\$64,409,658	\$13,824,366	27.3%	\$29,623,307	\$14,459,996	296
2008	\$110,078,186	\$45,668,528	70.9%	\$96,019,946	\$49,380,313	1,024
2009	\$131,153,568	\$21,075,382	19.1%	\$45,047,582	\$22,199,779	406
2010	\$138,055,322	\$6,901,754	5.3%	\$14,834,107	\$7,193,559	147
2011	\$146,568,822	\$8,513,500	6.2%	\$18,274,443	\$8,861,393	181
2012	\$146,568,822	\$0	0.0%	\$0	\$0	0
2013	\$146,568,822	\$0	0.0%	\$0	\$0	0
2014	\$146,568,822	\$0	0.0%	\$0	\$0	0
2015	\$146,568,822	\$0	0.0%	\$0	\$0	0
2016	\$146,568,822	\$0	0.0%	\$0	\$0	0

2. Cliffs Infrastructure Construction/Operations Impacts. Cliffs infrastructure investments – primarily, site development, roads and utilities – in Greenville County are shown in Table 9. By 2006, the level of annual spending on infrastructure was about \$12 million. Non amenity operations spending (20% of total operating expenditures) is about \$17million in 2006. All non-amenity operations expenditures for the Cliffs Communities, Inc. are allocated to Greenville County. Impacts from infrastructure and these operating expenditures in 2006 include 632 jobs, \$35 million in income and \$61 million in output. As shown in Table 9, infrastructure investment continues over most of the next decade peaking in 2011. In 2011, infrastructure and selected operations expenses are expected to generate 771 jobs, \$75 million in output, and about \$43 million in income.

TABLE 9. INFRASTRUCTURE/OPERATING BY CLIFFS

GREENVILLE COUNTY

YEAR	NEW		OPERATING NON AMENITY	IMPACTS: IN 2006 PRICES		
	INFRASTRUCTURE			OUTPUT	INCOME	EMPLOYMENT
2006	\$12,298,189	\$16,912,660	\$61,444,783	\$35,099,561	632	
2007	\$5,222,503	\$17,758,293	\$48,368,242	\$28,745,588	500	
2008	\$5,748,678	\$18,646,208	\$51,343,208	\$30,462,335	530	
2009	\$7,228,698	\$19,578,518	\$56,414,571	\$33,242,913	582	
2010	\$11,982,561	\$20,557,444	\$68,458,559	\$39,536,427	705	
2011	\$14,032,594	\$21,585,316	\$74,928,111	\$43,043,081	771	
2012	\$12,371,900	\$22,664,582	\$73,714,088	\$42,704,404	759	
2013	\$4,713,221	\$23,797,811	\$60,019,098	\$36,112,081	621	
2014	\$0	\$24,987,702	\$52,628,347	\$32,699,592	546	
2015	\$0	\$26,237,087	\$55,259,764	\$34,334,571	574	
2016	\$0	\$27,548,941	\$58,022,752	\$36,051,300	602	

Cliffs Communities Residents.

3. Home construction. In 2006, single-family residences completed in the Greenville County Cliffs Communities accounted for about \$77 million in new home construction activity. The average value of homes under construction (excluding lot) was \$1,085,000. As shown in Table 10, in 2006, construction expenditures resulted in 1,354 Greenville County jobs, \$74 million in income accruing to Greenville County residents and \$167 million in Greenville County output. New home construction rises steadily through 2012 resulting in 7,474 jobs, \$407 million in income and \$920 million in total output associated with new home construction. As buildout occurs over the next four years to

2016, these home construction impacts decline.

TABLE 10. HOME CONSTRUCTION COST (LOT VALUE NOT INCLUDED)				GREENVILLE COUNTY		
2006 PRICES		NEW CONSTRUCTION	PERCENT INC IN NEW HOMES	IMPACTS: IN 2006 PRICES		
YEAR	END YEAR			OUTPUT	INCOM	EMPLOYMENT
2006	\$382,069,783	\$77,035,000		\$166,587,629	\$73,746,412	1,354
2007	\$573,029,783	\$190,960,000	50.0%	\$412,949,616	\$182,808,008	3,356
2008	\$835,599,783	\$262,570,000	45.8%	\$567,805,722	\$251,361,011	4,614
2009	\$1,177,374,783	\$341,775,000	40.9%	\$739,085,960	\$327,184,787	6,006
2010	\$1,570,144,783	\$392,770,000	33.4%	\$849,362,278	\$376,002,834	6,902
2011	\$1,977,019,783	\$406,875,000	25.9%	\$879,864,238	\$389,505,699	7,150
2012	\$2,402,339,783	\$425,320,000	21.5%	\$919,751,417	\$407,163,290	7,474
2013	\$2,774,494,783	\$372,155,000	15.5%	\$804,782,490	\$356,267,879	6,540
2014	\$3,072,869,783	\$298,375,000	10.8%	\$645,233,775	\$285,637,512	5,243
2015	\$3,302,889,783	\$230,020,000	7.5	\$497,416,583	\$220,200,555	4,042
2016	\$3,362,564,783	\$59,675,000	1.8	\$129,046,755	\$57,127,502	1,049

4. Personal Consumer Expenditures by Cliffs Residents. At the Cliffs at Glassy, Valley, and Mountain Park, it is expected that 80% of the residents will be full time residents and the remaining 20% will be six month residents. We estimate that residents of these Cliffs Communities in 2006 spent about \$84 million on goods and services based on an average family income of \$150,000. These personal consumption expenditures (PCE) generated total impacts of 1,145 jobs, with \$64 million in local income, and about \$133 million in gross sales (output) (see Table 11). Impacts from resident consumer spending rise steadily over time as the Cliffs Communities reach build out in 2016. By the end of the ten year horizon, employment impacts in Greenville County reach 6,178 jobs along with income of \$345 million and gross sales of \$717 million in constant 2006 prices. Unlike the construction impacts that are cyclical, these are sustained levels of economic impacts that are likely to grow over time.

TABLE 11 IMPACTS FROM CONSUMER SPENDING BY CLIFFS RESIDENTS				GREENVILLE COUNTY		
2006 PRICES		INCREASE PCE	PERCENT OF PRIOR YEAR	IMPACTS: IN 2006 PRICES		
YEAR	HH PCE			OUTPUT	INCOME	EMPLOYMENT
2006	\$84,375,000			\$132,873,781	\$63,875,414	1,145
2007	\$108,135,000	\$23,760,000	128.2%	\$170,291,038	\$81,862,731	1,467
2008	\$140,805,000	\$32,670,000	130.2%	\$221,739,766	\$106,595,291	1,911
2009	\$183,330,000	\$42,525,000	130.2%	\$288,708,151	\$138,788,500	2,488
2010	\$232,200,000	\$48,870,000	126.7%	\$365,668,645	\$175,785,139	3,151
2011	\$282,825,000	\$50,625,000	121.8%	\$445,392,914	\$214,110,388	3,838
2012	\$335,745,000	\$52,920,000	118.7%	\$528,731,349	\$254,173,047	4,556
2013	\$382,050,000	\$46,305,000	113.8%	\$601,652,480	\$289,227,875	5,185
2014	\$419,175,000	\$37,125,000	109.7%	\$660,116,944	\$317,333,057	5,688
2015	\$447,795,000	\$28,620,000	106.8%	\$705,187,731	\$338,999,597	6,077
2016	\$455,220,000	\$7,425,000	101.7%	\$716,880,623	\$344,620,634	6,178

Total Private Sector Economic Impacts in Greenville County.

To estimate total private sector impacts, we first sum over the impacts in Table 8 (Amenity construction), Table 9 (Infrastructure construction and related operating expenses), Table 10 (New home construction) and Table 11 (Personal consumption expenditures by residents of the Cliffs communities). To these totals, impacts from 20% of the Cliffs operating expenditures for non amenity activities are added. This results in the total impacts on Greenville County from 2006 to 2016 that are displayed in Table 12 and Figures 7, 8, and

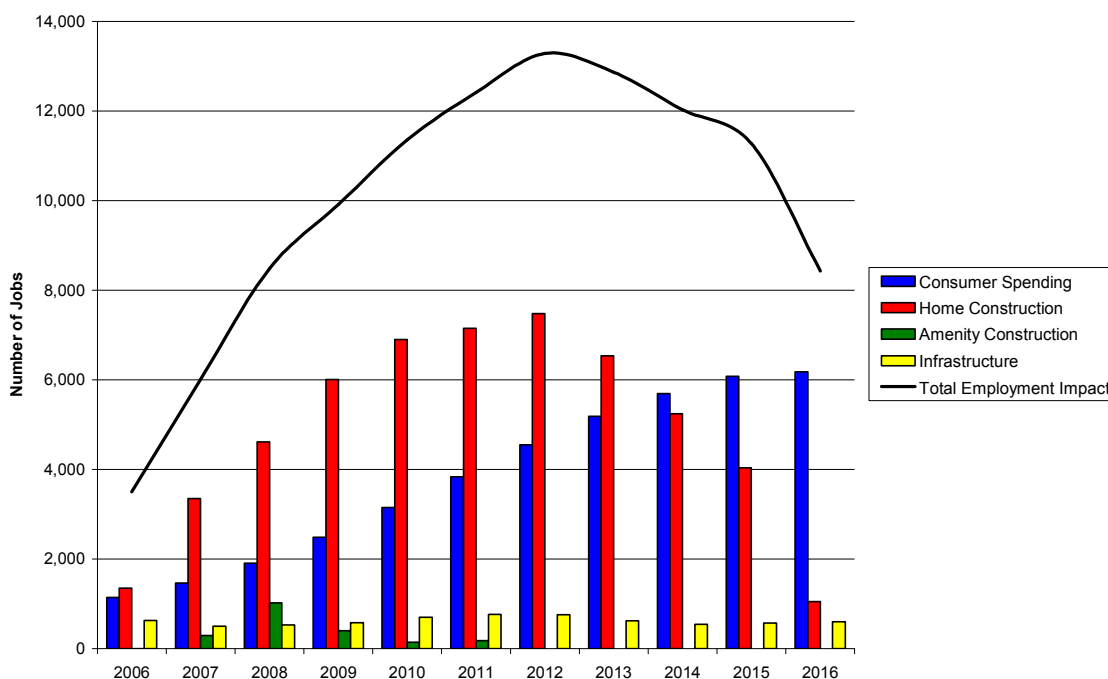
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TABLE 12. TOTAL IMPACTS OF CLIFFS COMMUNITIES**GREENVILLE COUNTY****IMPACTS: IN 2006 PRICES**

YEAR	OUTPUT	INCOME	EMPLOYMENT
2006	\$396,999,366	\$195,082,761	3,505
2007	\$698,634,186	\$331,115,312	6,007
2008	\$976,180,724	\$462,199,889	8,487
2009	\$1,170,491,951	\$547,036,964	9,910
2010	\$1,341,621,061	\$625,419,995	11,354
2011	\$1,463,922,050	\$683,767,697	12,412
2012	\$1,569,932,316	\$733,700,236	13,285
2013	\$1,516,576,303	\$712,750,303	12,865
2014	\$1,410,607,412	\$668,369,753	12,024
2015	\$1,313,123,841	\$627,869,295	11,266
2016	\$961,972,882	\$473,850,736	8,431

With some variation over time, the total employment impacts from the Cliffs Communities in Greenville County rise from 3,505 in 2006 to 13,285 in 2012 before declining to 8,431 in 2016. Income impacts increase from \$195 million in 2006 to \$733 million in 2012, then fall to \$473 million in 2016. Output follows a similar pattern peaking in 2012 at about \$1.57 billion then falling to a sustainable level of about \$962 million in 2016 in constant 2006 prices.

Figure 7. Cliffs Communities Employment Impacts by Source, 2006 to 2016
Greenville County, SC



**Figure 8. Cliffs Communities Income Impacts by Source, 2006 to 2016
Greenville County, SC**

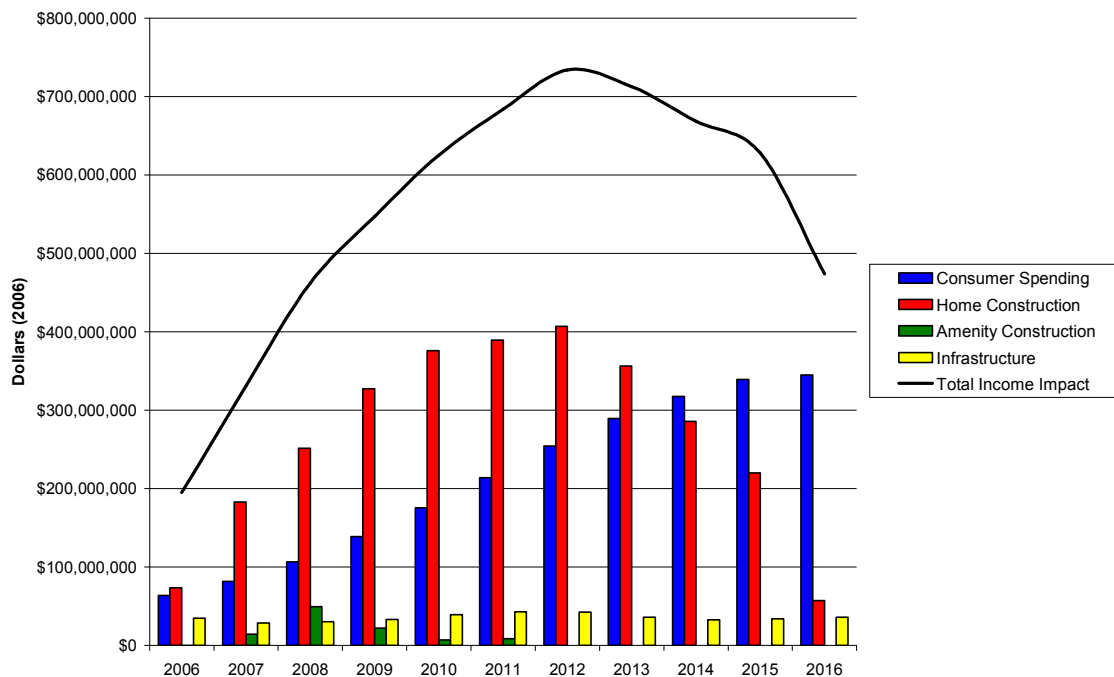
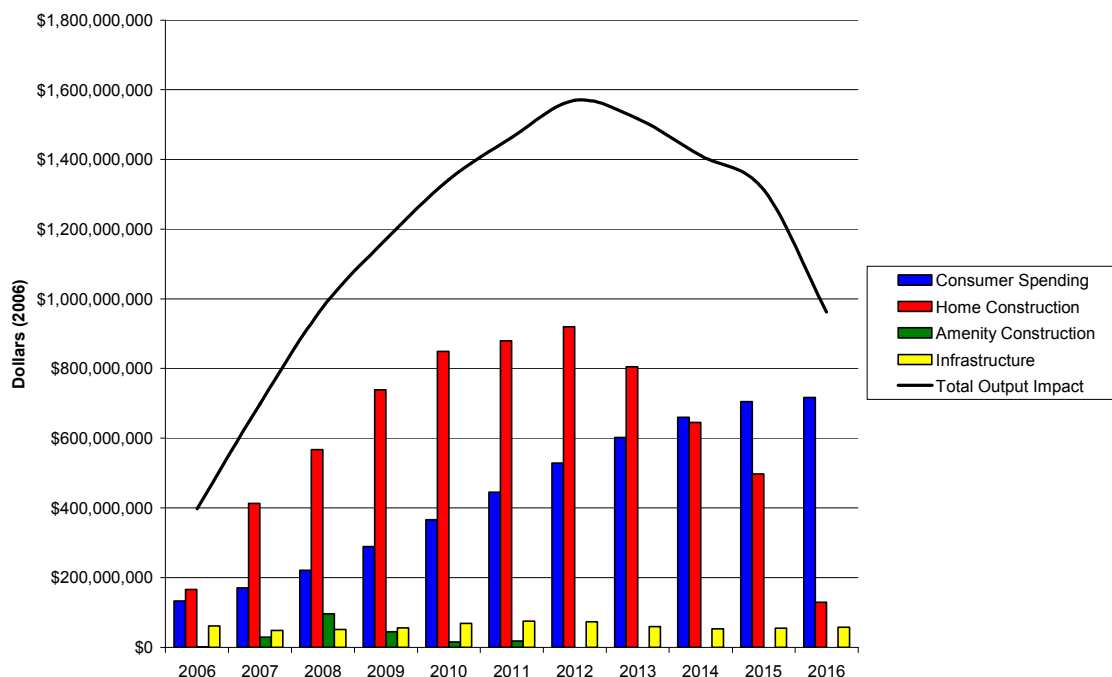


Figure 9. Cliffs Communities Output Impacts by Source, 2006 to 2016
Greenville County, SC



C. PRIVATE SECTOR IMPACTS OF THE CLIFFS COMMUNITIES ON PICKENS COUNTY, SOUTH CAROLINA

Cliffs Communities located in Pickens County include: The Cliffs at Keowee Vineyards (1998) and The Cliffs at Keowee Springs (2004) -- introduction year is shown in parenthesis.

1. Cliffs Amenity Construction Impacts. Cliffs amenities investments in the Pickens County communities include golf courses, club houses, village stores, marinas, boat docks, trails, and an equestrian recreation center. By the end of 2005, the market value of these amenities was about \$37 million. As shown in Table 13, amenity investment will increase over the next four years. These investments will generate 1258 jobs at the peak year, 2009, along with \$86 million in output and \$35 million in income.

TABLE 13. AMENITY CONSTRUCTION BY CLIFFS

PICKENS COUNTY

YEAR	2006 PRICES		PERCENT INC AMENITIES	IMPACTS: IN 2006 PRICES		
	END OF YEAR	NEW^		OUTPUT	INCOME	EMPLOYMENT
2006	\$38,601,673	\$1,695,000		\$2,968,603	\$1,373,618	45
2007	\$63,313,380	\$24,711,707		\$43,073,179	\$20,470,904	671
2008	\$91,706,843	\$28,393,463	44.8%	\$49,983,614	\$21,074,256	752
2009	\$140,245,904	\$48,539,061	52.9%	\$85,529,913	\$35,404,631	1,258
2010	\$160,786,698	\$20,540,794	14.6%	\$36,196,973	\$14,964,659	477
2011	\$160,786,698	\$0	0.0%	\$0	\$0	0
2012	\$160,786,698	\$0	0.0%	\$0	\$0	0
2013	\$160,786,698	\$0	0.0%	\$0	\$0	0
2014	\$160,786,698	\$0	0.0%	\$0	\$0	0
2015	\$160,786,698	\$0	0.0%	\$0	\$0	0
2016	\$160,786,698	\$0	0.0%	\$0	\$0	0

2. Cliffs Infrastructure Construction Impacts. Cliffs' infrastructure investments in Pickens County are shown in Table 14. In 2010, the peak level of new spending on infrastructure will be about \$13 million. As shown in Table 14, infrastructure investment continues over most of the next decade although the peak activity is expected in 2007 with 321 jobs, \$10 million in income and \$23 million in output.

TABLE 14. INFRASTRUCTURE CONSTRUCTION BY CLIFFS

PICKENS COUNTY

YEAR	2006 PRICES		PERCENT INC INFRASTRUCT	IMPACTS: IN 2006 PRICES		
	END OF YEAR	NEW INFRASTRUCTURE		OUTPUT	INCOME	EMPLOYMENT
2006	\$4,942,900	\$4,942,900		\$8,556,183	\$3,716,660	118
2007	\$18,405,022	\$13,462,122	272.4%	\$23,302,996	\$10,122,424	321
2008	\$29,864,601	\$11,459,579	62.3%	\$19,836,585	\$8,616,674	274
2009	\$42,205,004	\$12,340,403	41.3%	\$21,361,295	\$9,278,982	295
2010	\$55,350,227	\$13,145,223	31.1%	\$22,754,442	\$9,884,142	314
2011	\$65,304,596	\$9,954,369	18.0%	\$17,231,059	\$7,484,878	238
2012	\$70,086,883	\$4,782,287	7.3%	\$8,278,161	\$3,595,892	114
2013	\$70,263,145	\$176,262	0.3%	\$305,110	\$132,535	4
2014	\$70,263,145	\$0	0.0%	\$0	\$0	0
2015	\$70,263,145	\$0	0.0%	\$0	\$0	0
2016	\$70,263,145	\$0	0.0%	\$0	\$0	0

Cliffs Communities Residents.

3. Home construction. In 2006, single-family residences completed in the Pickens County Cliffs Communities accounted for about \$206 million in new home construction activity. As shown in Table 15, in 2006, construction expenditures resulted in 1,827 Pickens County jobs, \$65 million in income accruing to Pickens County residents and \$178 million in Pickens County output. New home construction is steady at about \$300 million per year through 2012. In 2008, the peak year, 5,831 jobs, \$209 million in income and \$569 million in total output are associated with new home construction. As buildout occurs over the next four years to 2016, these home construction impacts decline.

TABLE 15. HOME CONSTRUCTION COST (LOT VALUE NOT INCLUDED)				PICKENS COUNTY			
2006 PRICES				IMPACTS: IN 2006 PRICES			
YEAR	END YEAR	NEW	PERCENT INC IN NEW HOMES	OUTPUT	INCOME	EMPLOYMENT	
2006		\$206,221,858		\$178,407,948	\$65,344,436	1,827	
2007		\$426,476,858	206.8%	\$385,285,248	\$141,116,175	3,945	
2008		\$751,976,858	176.3%	\$569,387,067	\$208,546,072	5,831	
2009		\$1,051,436,858	139.8%	\$523,836,101	\$191,862,386	5,364	
2010		\$1,349,811,858	128.4%	\$521,938,144	\$191,167,233	5,345	
2011		\$1,653,611,858	122.5%	\$531,427,929	\$194,643,000	5,442	
2012		\$1,935,711,858	117.1%	\$493,468,791	\$180,739,929	5,053	
2013		\$2,136,436,858	110.4%	\$351,122,024	\$128,603,411	3,596	
2014		\$2,196,111,858	102.8%	\$0	\$0	0	
2015		\$2,237,341,858	101.9%	\$0	\$0	0	
2016		\$2,237,341,858	100.0%	\$0	\$0	0	

4. Personal Consumer Expenditures by Cliffs Residents. At the Cliffs at Keowee Vineyards and Keowee Springs, it is expected that 50% of the residents will be full time residents and the remaining 50% will be six month residents. We estimate that residents of Cliffs Communities in 2006 spent about \$30 million on goods and services. These personal consumption expenditures (PCE) generated total impacts of 373 jobs, with \$16 million in local income, and about \$39 million in gross sales (output) (see Table 16). Impacts from resident consumer spending rise steadily over time as the Cliffs Communities reach build out in 2016. By the end of the ten year horizon, employment impacts in Pickens County reach 3,008 jobs along with income of \$126 million and gross sales of \$315 million in constant 2006 prices. These are sustained levels of economic impacts that are likely to persist over time.

TABLE 16. IMPACTS FROM CONSUMER SPENDING BY CLIFFS RESIDENTS				PICKENS COUNTY			
2006 PRICES				IMPACTS: IN 2006 PRICES			
YEAR	HH PCE	INCREASE PCE	PERCENT OF PRIOR YEAR	OUTPUT	INCOME	EMPLOYMENT	
2006	\$29,812,500			\$39,045,667	\$15,717,676	373	
2007	\$52,650,000	\$22,837,500	176.6%	\$68,956,121	\$27,758,009	659	
2008	\$86,400,000	\$33,750,000	164.1%	\$113,158,763	\$45,551,604	1,081	
2009	\$117,450,000	\$31,050,000	135.9%	\$153,825,194	\$61,921,712	1,469	
2010	\$148,387,500	\$30,937,500	126.3%	\$194,344,282	\$78,232,508	1,857	
2011	\$179,887,500	\$31,500,000	121.2%	\$235,600,081	\$94,839,864	2,251	
2012	\$209,137,500	\$29,250,000	116.3%	\$273,909,038	\$110,260,980	2,617	
2013	\$229,950,000	\$20,812,500	110.0%	\$301,167,333	\$121,233,697	2,877	
2014	\$236,137,500	\$6,187,500	102.7%	\$309,271,151	\$124,495,856	2,954	
2015	\$240,412,500	\$4,275,000	101.8%	\$314,870,152	\$126,749,712	3,008	
2016	\$240,412,500	\$0	100.0%	\$314,870,152	\$126,749,712	3,008	

Total Private Sector Economic Impacts in Pickens County.

To estimate total private sector impacts, we sum over the impacts in Table 13 (Amenity construction), Table 14 (Infrastructure construction), Table 15 (New home construction) and Table 16 (Personal consumption expenditures by residents of the Cliffs communities). These Total Impacts from 2006 to 2016 are displayed in Table 17 and Figures 10, 11 and 12.

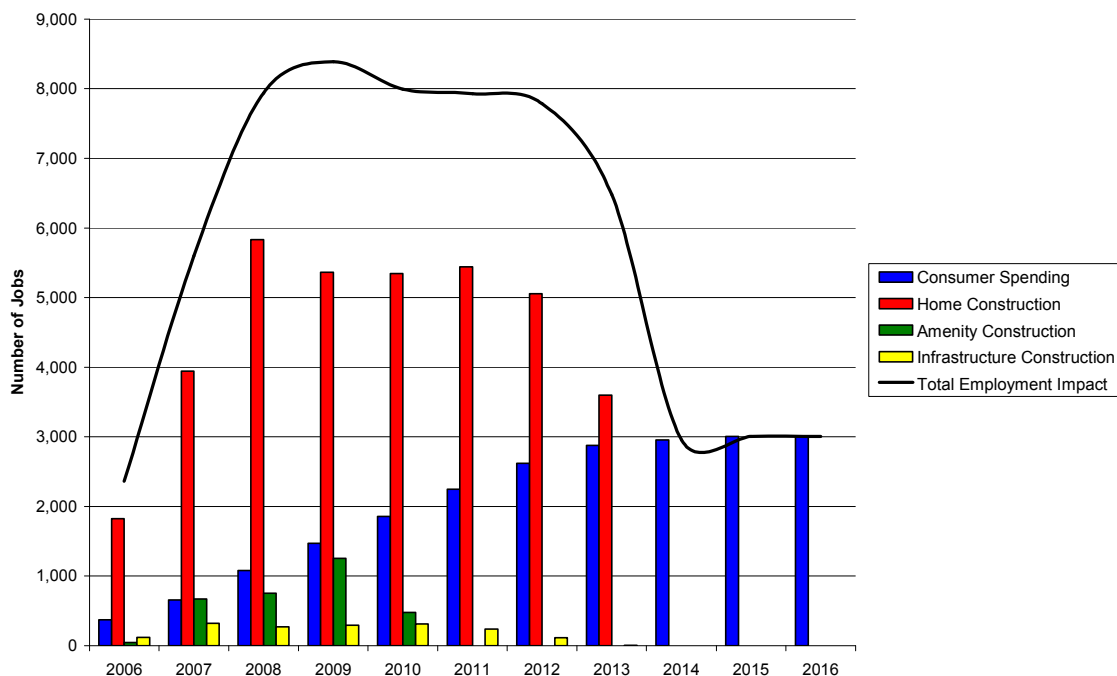
TABLE 17. TOTAL IMPACTS OF CLIFFS COMMUNITIES**PICKENS COUNTY**

IMPACTS: IN 2006 PRICES

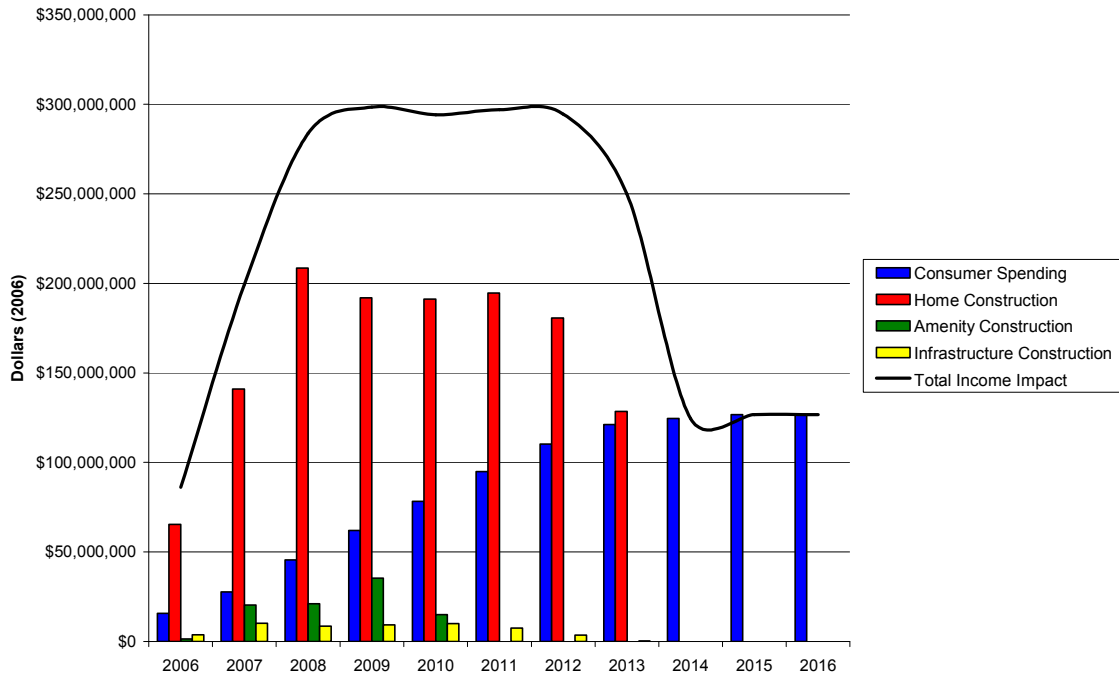
YEAR	OUTPUT	INCOME	EMPLOYMENT
2006	\$228,978,401	\$86,152,390	2,363
2007	\$520,617,545	\$199,467,512	5,596
2008	\$752,366,029	\$283,788,607	7,937
2009	\$784,552,503	\$298,467,712	8,386
2010	\$775,233,842	\$294,248,541	7,992
2011	\$784,259,069	\$296,967,743	7,930
2012	\$775,655,990	\$294,596,801	7,784
2013	\$652,594,468	\$249,969,643	6,477
2014	\$309,271,151	\$124,495,856	2,954
2015	\$314,870,152	\$126,749,712	3,008
2016	\$314,870,152	\$126,749,712	3,008

In Pickens County, economic impacts increase from 2,363 jobs in 2006 to a high in 2009 with 8,368 jobs, \$298 million in income and \$784 million in output. The sustained levels of impacts beginning in 2016 are 3,008 jobs, \$127 million in income and \$315 million in output in constant 2006 dollars.

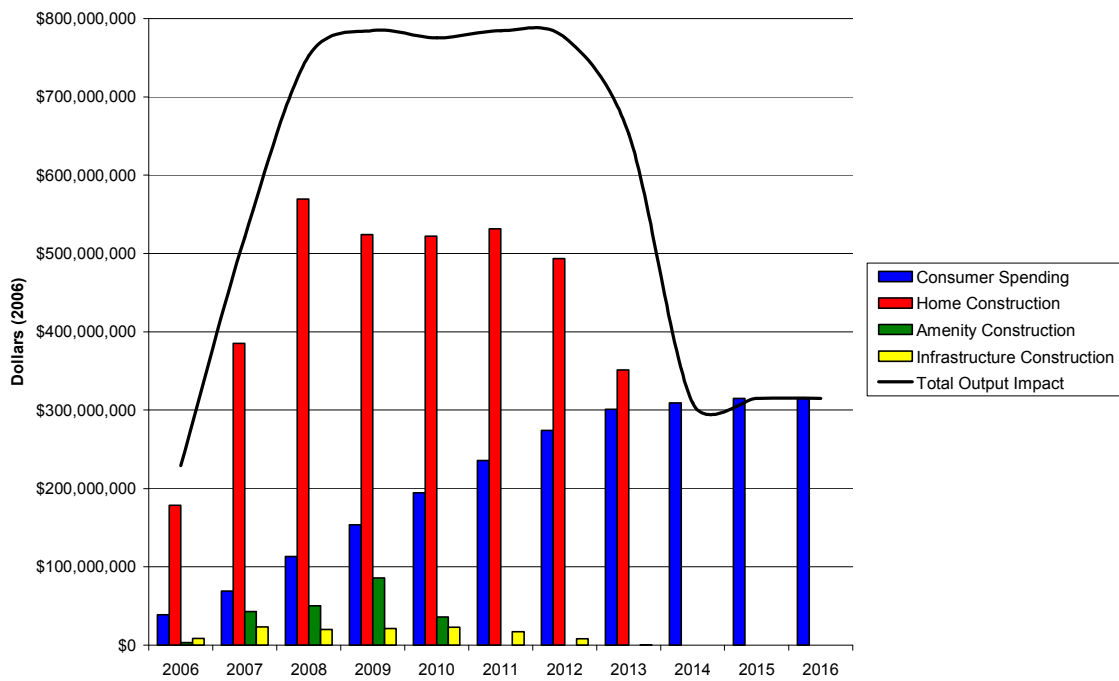
Figure 10. Cliffs Communities Employment Impact by Source, 2006 to 2016
Pickens County, SC



**Figure 11. Cliffs Communities Income Impacts by Source, 2006 to 2016
Pickens County, SC**



**Figure 12. Cliffs Communities Output Impacts by Source, 2006 to 2016
Pickens County, SC**



D. PRIVATE SECTOR IMPACTS OF THE CLIFFS COMMUNITIES ON OCONEE COUNTY, SOUTH CAROLINA

The Cliffs Community located in Oconee County is The Cliffs at Falls South (2002) -- introduction year is shown in parenthesis.

1. Cliffs Amenity Construction Impacts. Cliffs' amenities investments in the Oconee County community will include a golf course, club houses, marina facilities, trails, and extensive parks and picnic areas. By the end of 2005, the market value of these amenities was about \$9 million. As shown in Table 18, amenity investment will increase over the next four years. These investments generated 389 jobs in the peak year, 2006, along with \$26.1 million in output and \$13.3 million in income

TABLE 18. AMENITY CONSTRUCTION BY CLIFFS				OCONEE COUNTY			
YEAR	2006 PRICES		PERCENT INC AMENITIES	IMPACTS: IN 2006 PRICES			
	END OF YEAR	NEW^		OUTPUT	INCOME	EMPLOYMENT	
2006	\$26,038,379	\$16,287,501		\$26,101,644	\$13,369,257	389	
2007	\$38,520,883	\$12,482,504	47.9%	\$23,425,115	\$11,998,582	252	
2008	\$40,734,985	\$2,214,102	5.7%	\$3,548,323	\$1,528,651	44	
2009	\$45,570,487	\$4,835,502	11.9%	\$7,749,380	\$3,338,507	96	
2010	\$51,220,890	\$5,650,403	12.4%	\$9,055,340	\$3,901,127	112	
2011	\$51,220,890	\$0	0.0%	\$0	\$0	0	
2012	\$51,220,890	\$0	0.0%	\$0	\$0	0	
2013	\$51,220,890	\$0	0.0%	\$0	\$0	0	
2014	\$51,220,890	\$0	0.0%	\$0	\$0	0	
2015	\$51,220,890	\$0	0.0%	\$0	\$0	0	
2016	\$51,220,890	\$0	0.0%	\$0	\$0	0	

2. Cliffs Infrastructure Construction Impacts. Cliffs' infrastructure investments in Oconee County are shown in Table 19. In 2011, the peak level of new spending on infrastructure will be about \$10 million. As shown in Table 14, infrastructure investment continues over most of the next decade peaking in 2011 with 230 jobs, \$7.9 million in income and \$15.7 million in output (gross sales).

TABLE 19. INFRASTRUCTURE CONSTRUCTION BY CLIFFS				OCONEE COUNTY			
YEAR	2006 PRICES		PERCENT INC INRASTRUCT	IMPACTS: IN 2006 PRICES			
	END OF YEAR	NEW INFRASTRUCTURE		OUTPUT	INCOME	EMPLOYMENT	
2006	\$4,670,077	\$4,670,077		\$7,456,181	\$3,760,222	109	
2007	\$10,734,432	\$6,064,355	129.9%	\$9,682,267	\$4,882,858	142	
2008	\$15,990,108	\$5,255,676	49.0%	\$8,391,140	\$4,231,731	123	
2009	\$23,208,379	\$7,218,270	45.1%	\$11,524,592	\$5,811,960	168	
2010	\$31,884,273	\$8,675,894	37.4%	\$13,851,814	\$6,985,600	202	
2011	\$41,750,012	\$9,865,740	30.9%	\$15,751,505	\$7,943,632	230	
2012	\$50,351,494	\$8,601,482	20.6%	\$13,733,008	\$6,925,685	201	
2013	\$50,679,556	\$328,062	0.7%	\$523,780	\$264,147	8	
2014	\$50,679,556	\$0	0.0%	\$0	\$0	0	
2015	\$50,679,556	\$0	0.0%	\$0	\$0	0	
2016	\$50,679,556	\$0	0.0%	\$0	\$0	0	

Cliffs Communities Residents.

3. Home construction. In 2006, single-family residences completed in the Oconee County Cliffs Communities accounted for about \$28 million in new home construction activity. As shown in Table 20, in 2006, construction expenditures resulted in 435 Oconee County jobs, \$17 million in income accruing to Oconee County residents and \$45 million in Oconee County output. Annual new home construction rises steadily to about \$179 million per year through 2012. In 2012, 2,720 jobs, \$108 million in income and \$284 million in total output are associated with new home construction. As buildout occurs over the next four years to 2016, these home construction impacts decline.

TABLE 20. HOME CONSTRUCTION COST (LOT VALUE NOT INCLUDED)					OCONEE COUNTY		
2006 PRICES					IMPACTS: IN 2006 PRICES		
YEAR	END YEAR	NEW	PERCENT INC IN NEW HOMES	OUTPUT	INCOME	EMPLOYMENT	
2006		\$58,958,949	\$28,210,000	\$44,810,219	\$17,048,807	435	
2007		\$129,483,949	\$70,525,000	\$112,025,549	\$42,622,019	1,087	
2008		\$227,133,949	\$97,650,000	\$155,112,298	\$59,015,103	1,506	
2009		\$330,208,949	\$103,075,000	\$163,729,648	\$62,293,720	1,589	
2010		\$482,108,949	\$151,900,000	\$241,285,797	\$91,801,271	2,342	
2011		\$639,433,949	\$157,325,000	\$249,903,147	\$95,079,888	2,426	
2012		\$818,458,949	\$179,025,000	\$284,372,547	\$108,194,355	2,760	
2013		\$934,553,949	\$116,095,000	\$184,411,288	\$70,162,400	1,790	
2014		\$984,463,949	\$49,910,000	\$0	\$0	0	
2015		\$984,463,949	\$0	\$0	\$0	0	
2016		\$984,463,949	\$0	\$0	\$0	0	

4. Personal Consumer Expenditures by Cliffs Residents. At the Cliffs at Falls South, it is expected that 50% of the residents will be full time residents and the remaining 50% will be six month residents. We estimate that residents of Falls South in 2006 spent about \$7 million on goods and services. These personal consumption expenditures (PCE) generated total impacts of 65 jobs, with \$3 million in local income, and about \$9 million in gross sales (output) (see Table 21). Impacts from resident consumer spending rise steadily over time as the Falls South Community reaches build out in 2016. By the end of the ten year horizon, employment impacts in Oconee County reach 945 jobs along with income of \$42 million and gross sales of \$124 million in constant 2006 prices.

TABLE 21. IMPACTS FROM CONSUMER SPENDING BY CLIFFS RESIDENTS					OCONEE COUNTY		
2006 PRICES					IMPACTS: IN 2006 PRICES		
YEAR	HH PCE	INCREASE PCE	PERCENT OF PRIOR YEAR	OUTPUT	INCOME	EMPLOYMENT	
2006	\$7,087,500			\$8,534,396	\$2,913,895	65	
2007	\$14,400,000	\$7,312,500	203.2%	\$17,339,725	\$5,920,295	132	
2008	\$24,525,000	\$10,125,000	170.3%	\$29,531,719	\$10,083,002	225	
2009	\$35,212,500	\$10,687,500	143.6%	\$42,401,047	\$14,476,970	323	
2010	\$50,962,500	\$15,750,000	144.7%	\$61,366,371	\$20,952,293	467	
2011	\$67,275,000	\$16,312,500	132.0%	\$81,009,029	\$27,658,876	617	
2012	\$85,837,500	\$18,562,500	127.6%	\$103,361,018	\$35,290,506	787	
2013	\$97,875,000	\$12,037,500	114.0%	\$117,855,945	\$40,239,502	898	
2014	\$103,050,000	\$5,175,000	105.3%	\$124,087,409	\$42,367,108	945	
2015	\$103,050,000	\$0	100.0%	\$124,087,409	\$42,367,108	945	
2016	\$103,050,000	\$0	100.0%	\$124,087,409	\$42,367,108	945	

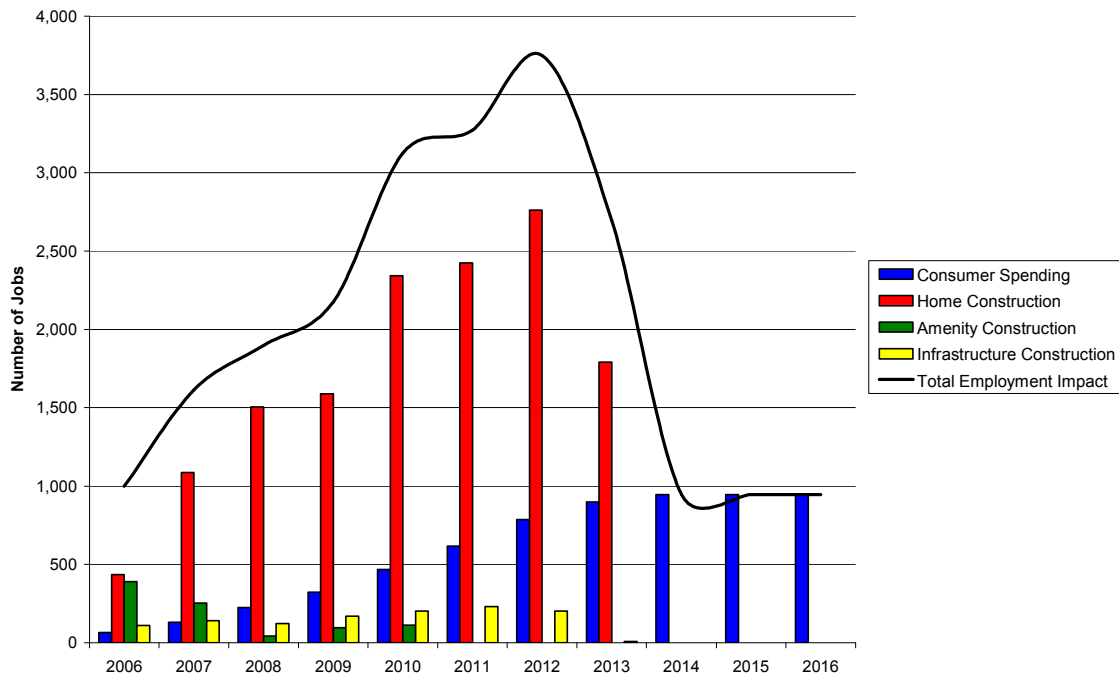
Total Private Sector Economic Impacts in Oconee County.

To estimate total private sector impacts, we sum over the impacts in Table 18 (Amenity construction), Table 19 (Infrastructure construction), Table 20 (New home construction) and Table 21 (Personal consumption expenditures by residents of the Cliffs communities). Total Oconee County impacts from 2006 to 2016 are displayed in Table 22 and Figures 13, 14 and 15. In Oconee County, economic impacts increase from 631 jobs in 2006 to a high in 2012 with 3,748 jobs, \$150 million in income and \$401 million in output. The sustained levels of impacts beginning in 2016 are 945 jobs, \$42 million in income and \$124 million in output in 2006 prices.

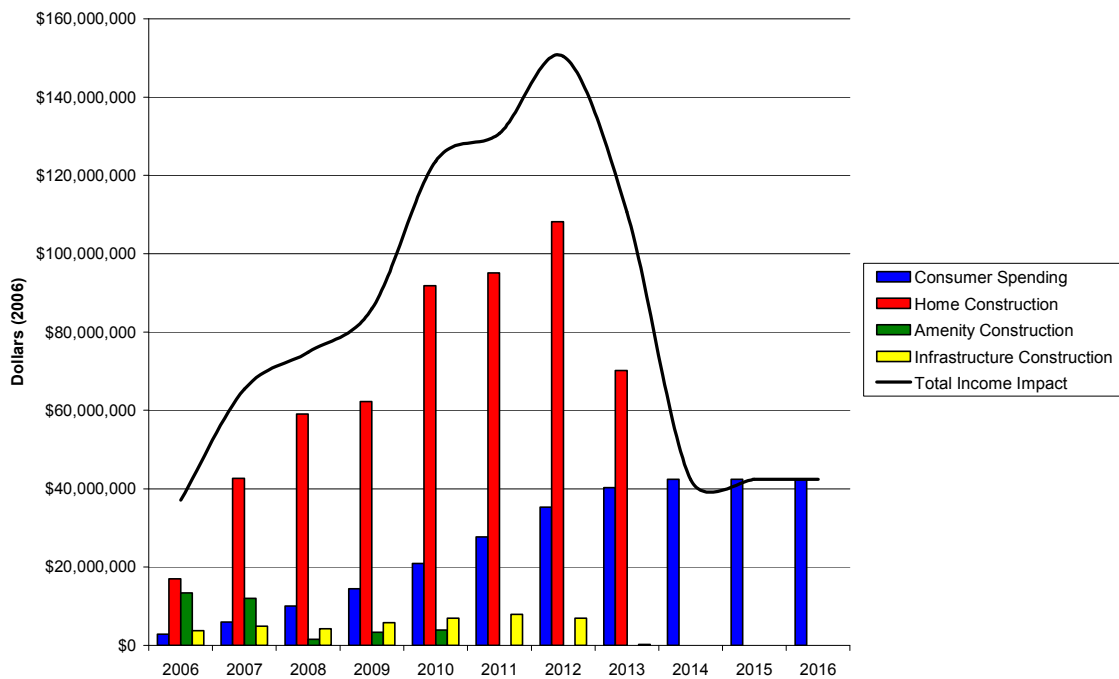
TABLE 22. TOTAL IMPACTS OF CLIFFS COMMUNITIES

OCONEE COUNTY			
IMPACTS: IN 2006 PRICES			
YEAR	OUTPUT	INCOME	EMPLOYMENT
2006	\$86,902,440	\$37,092,181	998
2007	\$162,472,656	\$65,423,753	1,613
2008	\$196,583,481	\$74,858,486	1,897
2009	\$225,404,666	\$85,921,157	2,177
2010	\$325,559,322	\$123,640,290	3,124
2011	\$346,663,681	\$130,682,396	3,273
2012	\$401,466,573	\$150,410,546	3,748
2013	\$302,791,012	\$110,666,049	2,695
2014	\$124,087,409	\$42,367,108	945
2015	\$124,087,409	\$42,367,108	945
2016	\$124,087,409	\$42,367,108	945

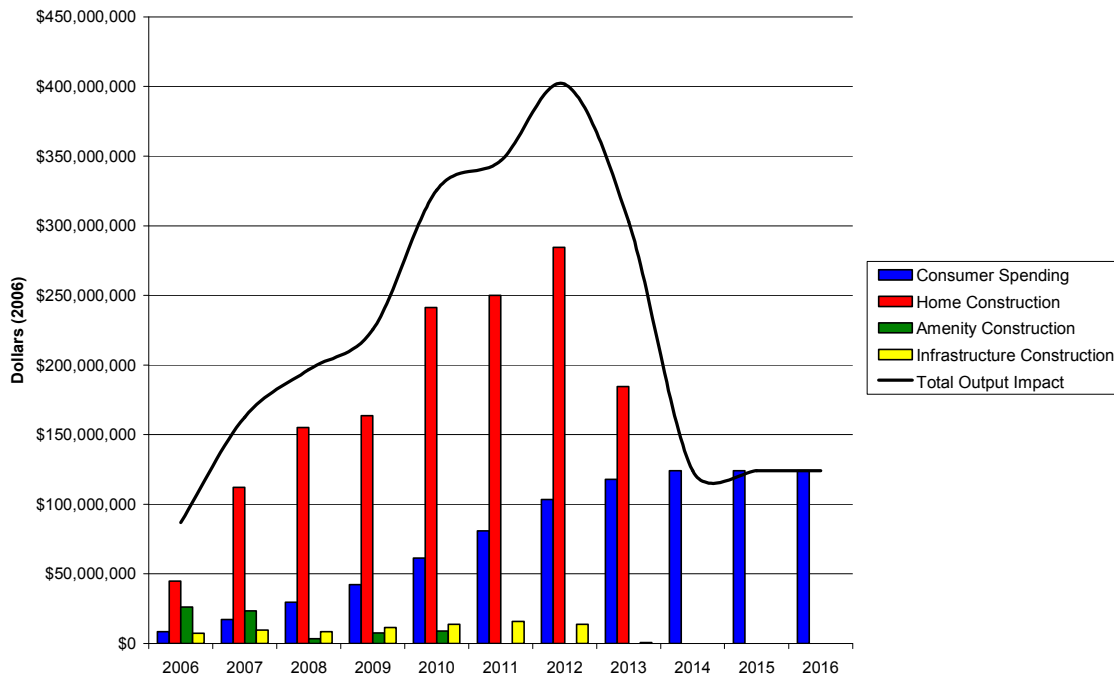
**Figure 13. Cliffs Communities Employment Impacts by Source, 2006 to 2016
Oconee County, SC**



**Figure 14. Cliffs Communities Income Impacts by Source, 2006 to 2016
Oconee County, SC**



**Figure 15. Cliffs Communities Output Impacts by Source, 2006 to 2016
Oconee County, SC**



E. PRIVATE SECTOR IMPACTS OF THE CLIFFS COMMUNITIES ON BUNCOMBE COUNTY, NORTH CAROLINA

The Cliffs Community located in Buncombe County is The Cliffs at Walnut Cove (2002) -- introduction year is shown in parenthesis. High Carolina was announced in the summer of 2007 as the eighth Cliffs community and will be located in Buncombe County, NC. The expected amenity construction impacts at High Carolina are counted below, but all other impacts from infrastructure investments, housing construction and spending by residents of High Carolina in future years are not counted in the impact assessments for Buncombe County nor the four county region.

1. Cliffs Amenity Construction Impacts. Cliffs' amenities investments in the Buncombe County community include a golf course, club house, an Old World European Style Club Village, and extensive natural areas. By the end of 2005, the market value of these amenities was about \$24 million. As shown in Table 23, amenity investment will increase over the next five years. These investments will generate 721 jobs at the peak year, 2008 along with \$27 million in output and \$53 million in income.

TABLE 23. AMENITY CONSTRUCTION BY CLIFFS

BUNCOMBE COUNTY

YEAR	2006 PRICES		PERCENT INC AMENITIES	IMPACTS: IN 2006 PRICES		
	END OF YEAR	NEW^		OUTPUT	INCOME	EMPLOYMENT
2006	\$26,926,318	\$1,515,000		\$3,372,037	\$1,530,402	46
2007	\$40,760,070	\$13,833,752	51.4%	\$30,742,872	\$14,099,957	254
2008	\$64,940,448	\$24,180,378	59.3%	\$52,746,906	\$27,242,931	721
2009	\$73,346,075	\$8,405,627	12.9%	\$18,555,396	\$8,894,225	231
2010	\$97,249,778	\$23,903,703	32.6%	\$53,194,164	\$24,172,702	619
2011	\$103,566,330	\$6,316,552	6.5%	\$14,040,373	\$6,430,116	165
2012	\$103,566,330	\$0	0.0%	\$0	\$0	0
2013	\$103,566,330	\$0	0.0%	\$0	\$0	0
2014	\$103,566,330	\$0	0.0%	\$0	\$0	0
2015	\$103,566,330	\$0	0.0%	\$0	\$0	0
2016	\$103,566,330	\$0	0.0%	\$0	\$0	0

2. Cliffs Infrastructure Construction Impacts. Cliffs' infrastructure investments in Buncombe County are shown in Table 24. In 2006, the peak level of new spending on infrastructure will be about \$11 million. This yields 311 employees, \$12 million in income and \$24 million in output in 2006. As shown in Table 23, infrastructure investment continues through 2011 but at declining levels. High Carolina spending is not included in these estimates.

TABLE 24. INFRASTRUCTURE CONSTRUCTION BY CLIFFS

BUNCOMBE COUNTY

YEAR	2006 PRICES		PERCENT INC INRASTRUCT	IMPACTS: IN 2006 PRICES		
	END OF YEAR	NEW INFRASTRUCTURE		OUTPUT	INCOME	EMPLOYMENT
2006	\$11,211,966	\$11,211,966		\$24,443,088	\$12,009,272	311
2007	\$18,740,410	\$7,528,444	67.1%	\$16,412,681	\$8,063,807	209
2008	\$26,730,772	\$7,990,362	42.6%	\$17,419,703	\$8,558,573	222
2009	\$33,565,486	\$6,834,714	25.6%	\$14,900,287	\$7,320,745	190
2010	\$34,644,903	\$1,079,417	3.2%	\$2,353,226	\$1,156,177	30
2011	\$34,676,552	\$31,649	0.1%	\$68,998	\$33,900	1
2012	\$34,676,552	\$0	0.0%	\$0	\$0	0
2013	\$34,676,552	\$0	0.0%	\$0	\$0	0
2014	\$34,676,552	\$0	0.0%	\$0	\$0	0
2015	\$34,676,552	\$0	0.0%	\$0	\$0	0
2016	\$34,676,552	\$0	0.0%	\$0	\$0	0

Cliffs Communities Residents.

3. Home construction. In 2006, single-family residences completed in the Buncombe County at the Cliffs Community accounted for about \$35 million in new home construction activity. As shown in Table 25, in 2006, construction expenditures resulted in 741 Buncombe County jobs, \$32 million in income accruing to Buncombe County residents and \$77 million in Buncombe County output. Annual new home construction rises steadily to about \$119 million in 2009. This level of home construction results in 2,546 jobs, \$110 million in income and \$265 million in total output. Home construction impacts yield over 1,500 jobs per year from 2007 through 2013.

TABLE 25. HOME CONSTRUCTION COST (LOT VALUE NOT INCLUDED)					BUNCOMBE COUNTY		
2006 PRICES					IMPACTS: IN 2006 PRICES		
YEAR	END YEAR	NEW	PERCENT INC IN NEW HOMES	OUTPUT	INCOME	EMPLOYMENT	
2006		\$133,896,533	\$34,720,000	\$77,154,796	\$32,040,334	741	
2007		\$215,271,533	\$81,375,000	60.8%	\$180,831,553	\$75,094,533	1,736
2008		\$329,196,533	\$113,925,000	52.9%	\$253,164,175	\$105,132,347	2,430
2009		\$448,546,533	\$119,350,000	36.3%	\$265,219,612	\$110,138,649	2,546
2010		\$559,216,533	\$110,670,000	24.7%	\$245,930,913	\$102,128,566	2,361
2011		\$640,591,533	\$81,375,000	14.6%	\$180,831,553	\$75,094,533	1,736
2012		\$721,966,533	\$81,375,000	12.7%	\$180,831,553	\$75,094,533	1,736
2013		\$796,831,533	\$74,865,000	10.4%	\$166,365,029	\$69,086,971	1,597
2014		\$796,831,533	\$0	0.0%	\$0	\$0	0
2015		\$796,831,533	\$0	0.0%	\$0	\$0	0
2016		\$796,831,533	\$0	0.0%	\$0	\$0	0

4. Personal Consumer Expenditures by Cliffs Residents. At the Cliffs at Walnut Cove, it is expected that 80% of the residents will be full time residents and the remaining 20% will be six month residents. We estimate that residents of Walnut Cove in 2006 spent about \$18 million on goods and services. These personal consumption expenditures (PCE) generated total impacts of 289 jobs, with \$14 million in local income, and about \$29 million in gross sales (output) (see Table 26). Impacts from resident consumer spending rise steadily over time as the Walnut Cove Community reaches build out in 2016. By the end of the ten year horizon, sustainable employment impacts in Buncombe County reach 1,627 jobs along with income of \$78 million and gross sales of \$164 million in constant 2006 prices.

TABLE 26. IMPACTS FROM CONSUMER SPENDING BY CLIFFS RESIDENTS					BUNCOMBE COUNTY		
2006 PRICES					IMPACTS: IN 2006 PRICES		
YEAR	HH PCE	INCREASE PCE	PERCENT OF PRIOR YEAR	OUTPUT	INCOME	EMPLOYMENT	
2006	\$17,820,000			\$29,153,123	\$13,787,748	289	
2007	\$27,945,000	\$10,125,000	156.8%	\$45,717,397	\$21,621,696	453	
2008	\$42,120,000	\$14,175,000	150.7%	\$68,907,382	\$32,589,223	683	
2009	\$56,970,000	\$14,850,000	135.3%	\$93,201,651	\$44,079,013	924	
2010	\$70,740,000	\$13,770,000	124.2%	\$115,729,064	\$54,733,181	1,147	
2011	\$80,865,000	\$10,125,000	114.3%	\$132,293,338	\$62,567,129	1,311	
2012	\$90,990,000	\$10,125,000	112.5%	\$148,857,613	\$70,401,077	1,476	
2013	\$100,305,000	\$9,315,000	110.2%	\$164,096,745	\$77,608,309	1,627	
2014	\$100,305,000	\$0	100.0%	\$164,096,745	\$77,608,309	1,627	
2015	\$100,305,000	\$0	100.0%	\$164,096,745	\$77,608,309	1,627	
2016	\$100,305,000	\$0	100.0%	\$164,096,745	\$77,608,309	1,627	

Total Private Sector Economic Impacts in Buncombe County.

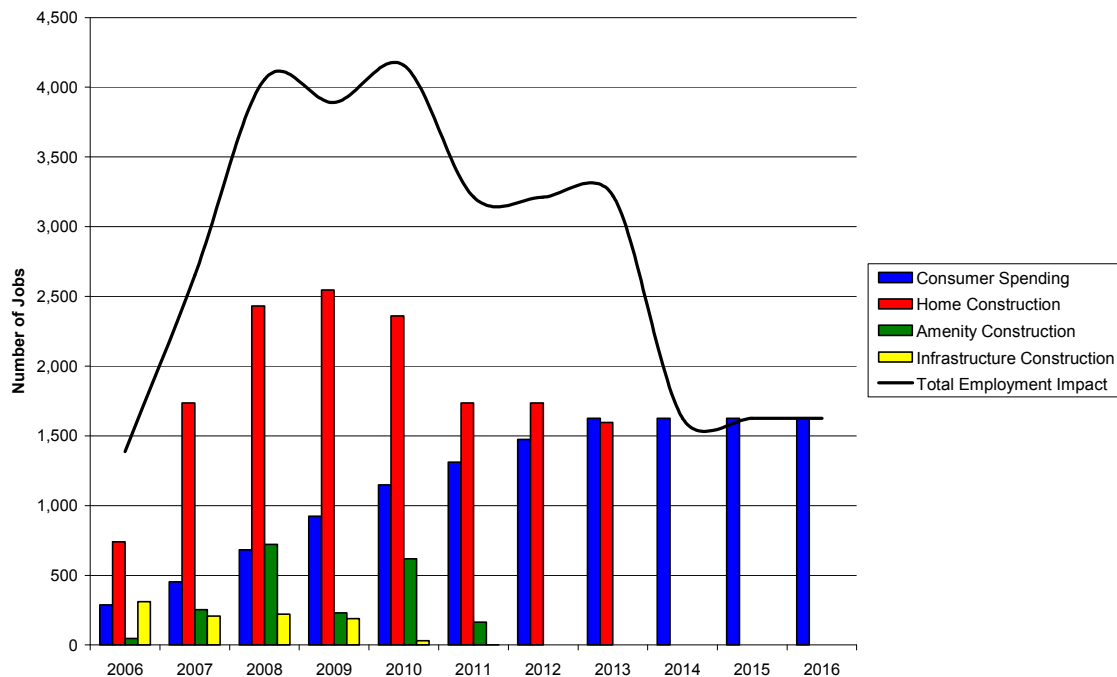
To estimate total private sector impacts, we sum over the impacts in Table 22 (Amenity construction), Table 23 (Infrastructure construction), Table 24 (New home construction) and Table 25 (Personal consumption expenditures by residents of the Cliffs communities). These Total Impacts from 2006 to 2016 are displayed in Table 26 and Figures 16, 17 and 18.

TABLE 26. TOTAL IMPACTS OF CLIFFS COMMUNITIES**BUNCOMBE COUNTY**IMPACTS: IN 2006 PRICES[^]

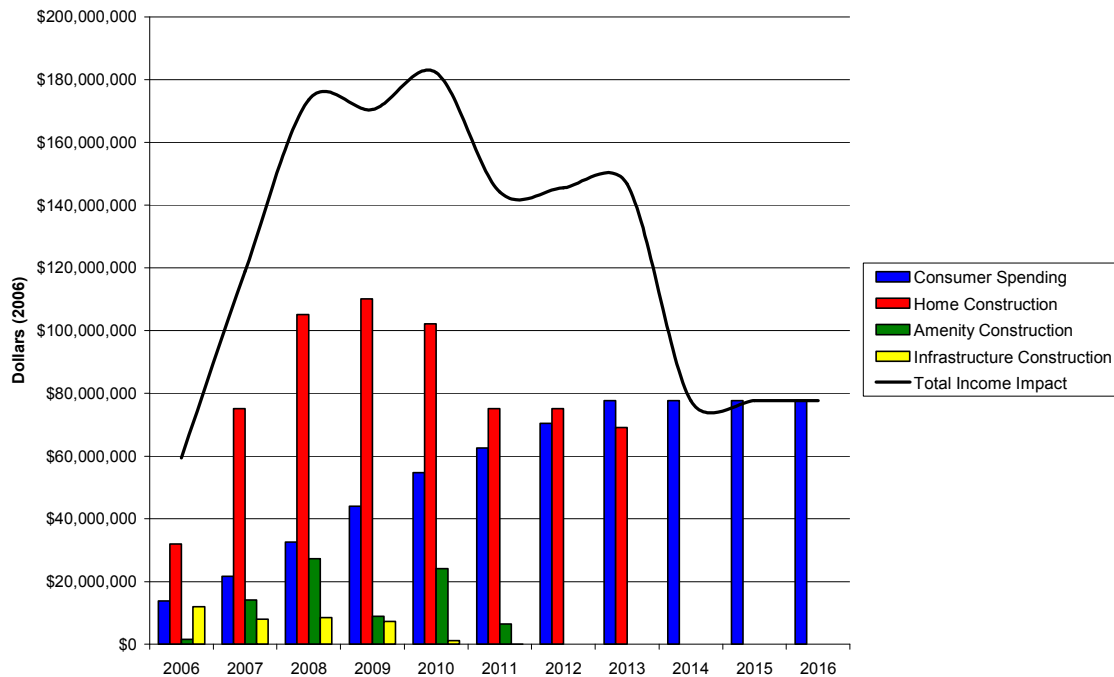
YEAR	OUTPUT	INCOME	EMPLOYMENT
2006	\$134,123,044	\$59,367,756	1,387
2007	\$273,704,504	\$118,879,993	2,652
2008	\$392,238,166	\$173,523,074	4,056
2009	\$391,876,946	\$170,432,631	3,890
2010	\$417,207,366	\$182,190,626	4,156
2011	\$327,234,262	\$144,125,678	3,213
2012	\$329,689,166	\$145,495,610	3,211
2013	\$330,461,774	\$146,695,280	3,224
2014	\$164,096,745	\$77,608,309	1,627
2015	\$164,096,745	\$77,608,309	1,627
2016	\$164,096,745	\$77,608,309	1,627

In Buncombe County, economic impacts increase from 1,387 jobs in 2006 to a high in 2010 with 4,156 jobs, \$182 million in income and \$417 million in output. The sustained levels of impacts beginning in 2016 are 1,627 jobs, \$77 million in income and \$164 million in output. These estimates do not count infrastructure spending, home construction and consumer spending at High Carolina.

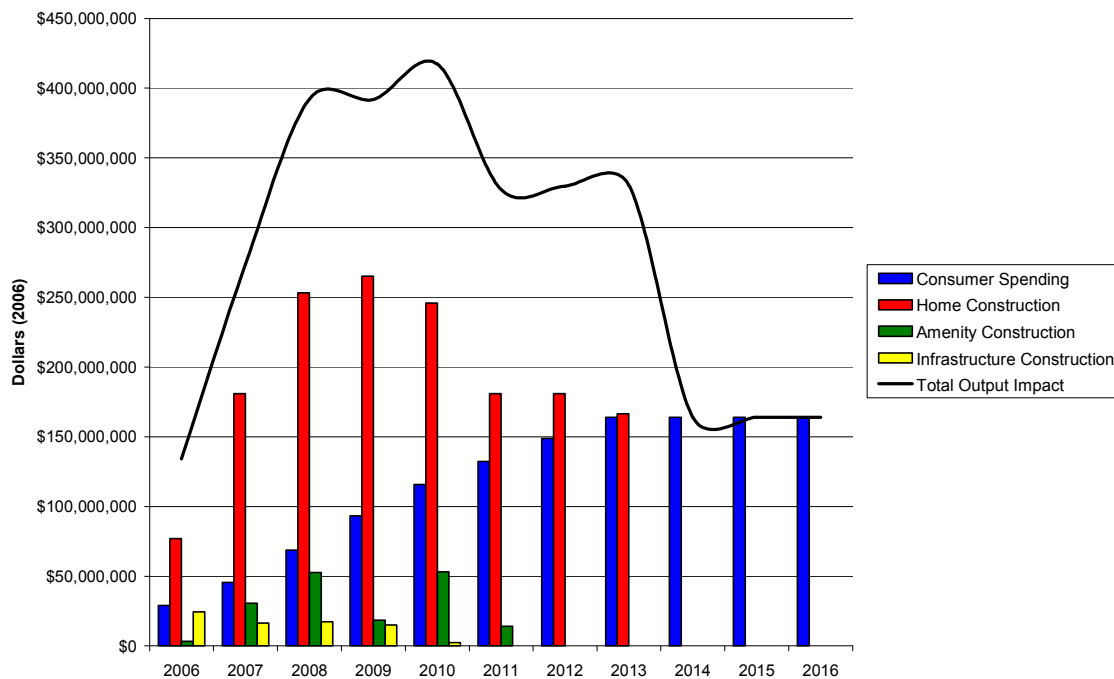
Figure 16. Cliffs Communities Employment Impact by Source, 2006 to 2016
Buncombe County, NC



**Figure 17. Cliffs Communities Income Impacts by Source, 2006 to 2016
Buncombe County, NC**



**Figure 18. Cliffs Communities Output Impacts by Source, 2006 to 2016
Buncombe County, NC**



IV. ECONOMIC IMPACTS OF CLIFFS COMMUNITIES ON THE REGIONAL ECONOMY – THE PUBLIC SECTOR

Public Sector Revenue Impacts.

The Cliffs Communities affects the fiscal structure of the county through both revenues for and costs of public goods and services. County tax revenues are derived primarily from taxes on real and personal property. Significant additional sources of county revenues are: a 1 percent local option sales tax in Pickens County, South Carolina and a 2.5% local sales tax in Buncombe County, North Carolina. In 2006, neither Greenville County nor Oconee County levied a local option sales tax. Property development at the Cliffs Communities and consumer spending by Cliffs Communities homeowners in the communities provide the major sources of tax revenues that accrue to local governments in the region. State tax revenues from sales taxes and personal income taxes that are attributable to the Cliffs Communities are not estimated in this report, but should substantially exceed the local tax revenue stream generated by the Cliffs Communities.

Property taxes on Real Estate. The principal source of new tax revenues is the increase in real property values in each of the four counties in the impact region. The added property tax base comes primarily from lot sales and new home construction at the Cliffs Communities. However, the value of Cliffs Communities amenities and lot inventory are also important components to the property tax base in each county. The estimated *assessed value* of lots, homes, undeveloped acreage, and Cliffs Communities amenities is for each county in the region varies by type of property and state. Real property in North Carolina is assessed at 100% of market value (with a corresponding lower millage rate) while South Carolina real property is assessed at 4% of market value for residential property, 6% for commercial property and 10.5% for industrial property. Therefore, assessed values in SC represent a mix of assessment rates applied to market values of the Cliffs Communities properties while assessed values in NC Cliffs Communities reflect market values.

Millage rates in each county (see Table 27) in the region are applied to assessed values to yield expected real personal property tax revenue impacts associated with the Cliffs Communities over time. Note that the millage rates applied do not include any municipal levies. We also present two totals for the South Carolina counties – one with the current school operations millage and one that excludes it to reflect the 2007 “tax swap” legislation in South Carolina.

	Greenville	Oconee	Pickens (Vineyards)	Pickens (Springs)	Buncombe
County Base Millage	.0638	.0697	.0600	.0600	.00530
School Operations	.1139	.1130	.1090	.1090	
School Debt Service	.0425	.0180	.0190	.0190	
Other Millages	.0312	.0033	.0423	.0096	.00078
Total	.2517	.2040	.2303	.1976	.00608
County Base Millage	.0638	.0697	.0600	.0600	.00530
School Operations					
School Debt Service	.0425	.0180	.0190	.0190	
Other Millages	.0312	.0033	.0423	.0096	.00078
Total Without School operations	.1378	.0910	.1213	.0886	.00608

We document actual property taxes paid in 2006 in each of the four counties in three categories: 1. Lots, land and amenities owned by Cliffs; 2. Lots owned by individuals; and 3. Improvements (homes) to lots owned by individuals. Working from records from county tax assessors' offices and tax maps, we matched lot owners with tax records for each lot in the Cliffs Communities. The actual taxes paid in 2006 by Cliffs Communities and individual property owners, aggregated over each community, are shown in the Appendix.

The total real property taxes paid in each county are shown in Table 28. For 2006, these are the actual taxes paid. For 2007 and beyond, estimates are based on five factors: 1. The cost of amenity investments planned by Cliffs; 2. The value of lots held in inventory by Cliffs; 3. Expected lot sales; 4. Expected new home construction; and 5. Reductions in the value of holdings of undeveloped land as land is converted for lot sales and amenity use. Expected real estate property taxes from 2007 through buildout in 2016 are shown in Table 28 in constant 2006 dollars. Current dollar taxes assuming a 5% per annum growth in property values are displayed in Table 29.

Across the region, almost \$13 million in real estate property taxes were attributable to the Cliffs Communities in 2006. Because of the 'tax swap' legislation effective in 2007 in South Carolina, these tax receipts are expected to fall to about \$12 million in 2007. Millage rates fell by 50% or more in the three South Carolina counties from 2006 to 2007 (see Table 27). Despite the substantial fall in millage rates, growth in construction for amenities, infrastructure and new homes, and added lot sales offset most of the decline in taxes from lower millage rate so that Cliffs related real estate tax revenues fall far less than the millage rate declines would suggest. By 2008, expected real property tax revenues increase to \$16.7 million and rise steadily to \$39.3 million by 2016 – all in constant 2006 dollars.

Table 28. Total Real Property Taxes

	Actual	Projected:					
	2006	2007	2008	2009	2010		
Greenville County	\$5,361,887	\$4,465,066	\$6,673,820	\$8,945,739	\$11,470,542		
Oconee County	\$1,782,377	\$1,601,036	\$1,806,954	\$2,247,398	\$2,737,504		
Pickens County	\$3,753,337	\$2,879,598	\$4,187,045	\$5,361,076	\$6,322,403		
Buncombe County	\$2,068,771	\$3,116,890	\$3,908,338	\$4,393,211	\$4,808,182		
TOTAL	\$12,966,371	\$12,062,591	\$16,576,157	\$20,947,424	\$25,338,630		
		Projected:					
	2011	2012	2013	2014	2015	2016	
Greenville County	\$14,138,418	\$16,823,668	\$19,089,517	\$20,466,842	\$21,670,359	\$22,125,099	
Oconee County	\$3,122,156	\$3,368,293	\$3,527,909	\$3,596,529	\$3,596,529	\$3,596,529	
Pickens County	\$7,110,578	\$7,631,327	\$7,961,320	\$7,968,271	\$7,973,073	\$7,973,073	
Buncombe County	\$5,113,308	\$5,418,433	\$5,699,149	\$5,699,149	\$5,699,149	\$5,699,149	
TOTAL	\$29,484,460	\$33,241,721	\$36,277,895	\$37,730,791	\$38,939,110	\$39,393,850	

Greenville County alone received \$5.36 million in Cliffs Communities related revenues in 2006. These revenues are expected to increase steadily over time to nearly \$22 million by 2016 in constant dollars. As shown in Table 29, allowing for price appreciation of 5% per annum boosts the expected real property tax revenues from \$13 million in 2006 to \$63.3 million a decade later.

Table 29. Total Real Property Taxes, Current Prices

	Actual	Projected:					
	2006	2007	2008	2009	2010		
Greenville County	\$5,361,887	\$4,644,023	\$7,244,717	\$10,182,548	\$13,695,265		
Oconee County	\$1,782,377	\$1,662,704	\$1,969,733	\$2,561,655	\$3,269,935		
Pickens County	\$3,753,337	\$3,009,064	\$4,561,934	\$6,122,744	\$7,565,337		
Buncombe County	\$2,068,771	\$3,272,735	\$4,308,943	\$5,085,691	\$5,844,375		
TOTAL	\$12,966,371	\$12,588,526	\$18,085,327	\$23,952,638	\$30,374,912		
		Projected:					
	2011	2012	2013	2014	2015	2016	
Greenville County	\$17,716,399	\$22,128,692	\$26,350,430	\$29,702,888	\$33,055,082	\$35,448,560	
Oconee County	\$3,912,278	\$4,437,738	\$4,884,221	\$5,229,815	\$5,491,306	\$5,765,871	
Pickens County	\$8,914,322	\$10,048,779	\$11,015,551	\$11,576,598	\$12,162,878	\$12,771,022	
Buncombe County	\$6,526,020	\$7,261,219	\$8,019,274	\$8,420,238	\$8,841,250	\$9,283,313	
TOTAL	\$37,069,019	\$43,876,428	\$50,269,477	\$54,929,539	\$59,550,516	\$63,268,765	

Again in current dollars, Greenville County is expected to gain the greatest share of real estate tax revenues, increasing from \$5.36 million in 2006 to \$35.45 million by 2016.

From 2007 onward, the tax swap legislation yields substantially lower levels of local real property tax revenues for each of the South Carolina counties than would otherwise be the case for the three counties in S.C. Also note that these projections are based on the 2006 actual 2006 baseline values for lots and houses. Tax revenues on lots and homes are projected to expand at the same rate as lot sales and new house construction expected by Cliffs Communities in each of the seven communities established by 2006. High Carolina lots, homes and Cliff's infrastructure investments are not included in the projections for Buncombe County and the region totals.

Personal Property Tax Revenue

Actual personal property (cars, boats, etc.) taxes in 2006 were obtained from county tax assessor's office records. Only those owners of lots in the Cliffs Communities that identified their Cliffs Community address as their home address were used to identify personal property tax revenues attributable to Cliffs. This property is assessed at 10.5% in South Carolina counties and at 100% of market value in North Carolina. In Table 30, the reduced millages from the SC tax swap in 2007 are reflected in the projected revenues from 2007 onward. Estimated property tax revenues in constant 2006 dollars from personal property owned by residents of the Cliffs Communities increases from approximately \$191,000 in the region in 2006 to \$1 million in the region by 2016.

Table 30. Cliffs Resident Personal Property Taxes, 2006 Prices

	2006	2007	2008	2009	2010	
Greenville County	\$167,352	\$134,984	\$179,620	\$239,208	\$308,926	
Oconee County	\$1,025	\$17,770	\$30,265	\$43,453	\$62,889	
Pickens County	\$16,332	\$38,178	\$67,548	\$94,818	\$122,038	
Buncombe County	\$6,554	\$13,566	\$20,448	\$27,657	\$34,341	
TOTAL	\$191,262	\$204,498	\$297,880	\$405,136	\$528,194	
	2011	2012	2013	2014	2015	2016
Greenville County	\$381,490	\$457,676	\$523,421	\$575,275	\$616,548	\$628,268
Oconee County	\$83,019	\$105,926	\$120,781	\$127,167	\$127,167	\$127,167
Pickens County	\$149,509	\$173,744	\$191,082	\$198,757	\$204,059	\$204,059
Buncombe County	\$39,257	\$44,172	\$48,694	\$48,694	\$48,694	\$48,694
TOTAL	\$653,275	\$781,518	\$883,978	\$949,892	\$996,468	\$1,008,188

Finally, we add the totals from real property taxes to the personal property taxes to arrive at total property tax revenues from the Cliffs Communities over the decade from 2006 to 2016. These results are displayed for the constant 2006 dollar estimates in Table 31. Table 32 provides the Cliffs Communities property tax estimates for the case where property is allowed to increase at 5% per year in value – for both real estate and personal property. Again, we report only the case where the tax swap (elimination of the school

operations millage) has become law in 2007. In constant dollars, total property tax revenues expand from \$13.2 million in 2006 to \$40.4 million in 2016. In current (projected) dollars, property tax revenues increase from \$13.2 million in 2006 to \$65.8 million a decade later.

Table 31. Total Property Taxes, 2006 Prices

	2006	2007	2008	2009	2010
Greenville County	\$5,529,238	\$4,600,050	\$6,853,440	\$9,184,948	\$11,779,468
Oconee County	\$1,783,401	\$1,618,806	\$1,837,218	\$2,290,851	\$2,800,393
Pickens County	\$3,769,669	\$2,917,776	\$4,254,593	\$5,455,894	\$6,444,440
Buncombe County	\$2,075,324	\$3,130,457	\$3,928,786	\$4,420,868	\$4,842,524
TOTAL	\$13,157,633	\$12,267,089	\$16,874,037	\$21,352,560	\$25,866,825

	2011	2012	2013	2014	2015	2016
Greenville County	\$14,519,908	\$17,281,344	\$19,612,939	\$21,042,117	\$22,286,907	\$22,753,367
Oconee County	\$3,205,175	\$3,474,219	\$3,648,689	\$3,723,695	\$3,723,695	\$3,723,695
Pickens County	\$7,260,087	\$7,805,071	\$8,152,402	\$8,167,028	\$8,177,133	\$8,177,133
Buncombe County	\$5,152,564	\$5,462,605	\$5,747,843	\$5,747,843	\$5,747,843	\$5,747,843
TOTAL	\$30,137,735	\$34,023,239	\$37,161,873	\$38,680,683	\$39,935,578	\$40,402,038

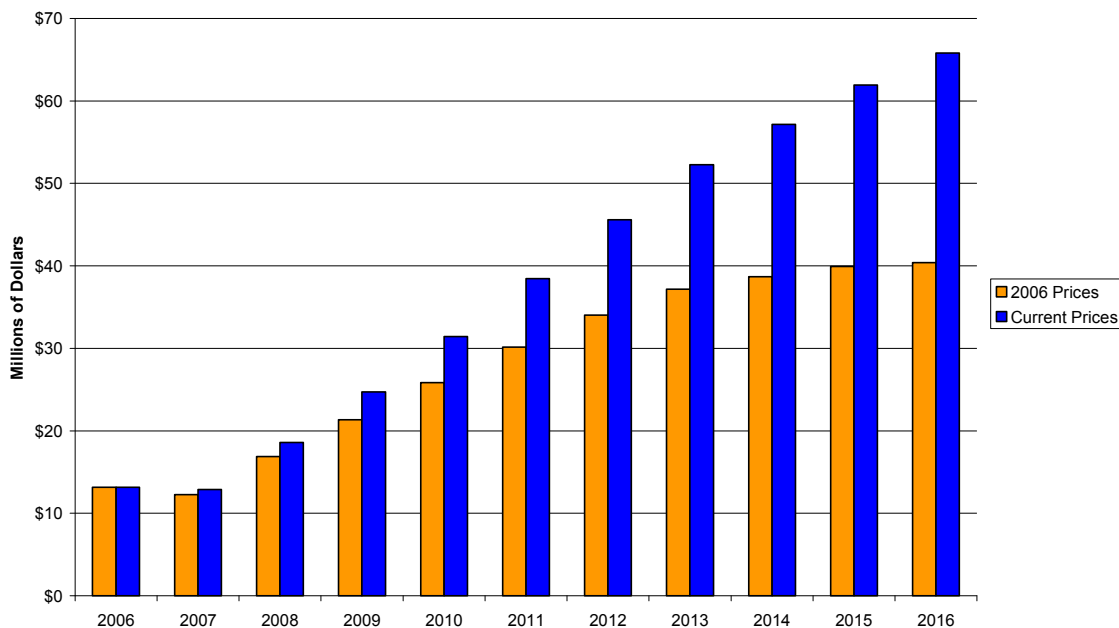
Table 32. Total Property Taxes, Current Prices

	2006	2007	2008	2009	2010
Greenville County	\$5,529,238	\$4,830,052	\$7,555,917	\$10,632,725	\$14,318,017
Oconee County	\$1,783,401	\$1,699,747	\$2,025,533	\$2,651,946	\$3,403,895
Pickens County	\$3,769,669	\$3,063,665	\$4,690,689	\$6,315,879	\$7,833,258
Buncombe County	\$2,075,324	\$3,286,979	\$4,331,486	\$5,117,707	\$5,886,118
TOTAL	\$13,157,633	\$12,880,444	\$18,603,626	\$24,718,258	\$31,441,287

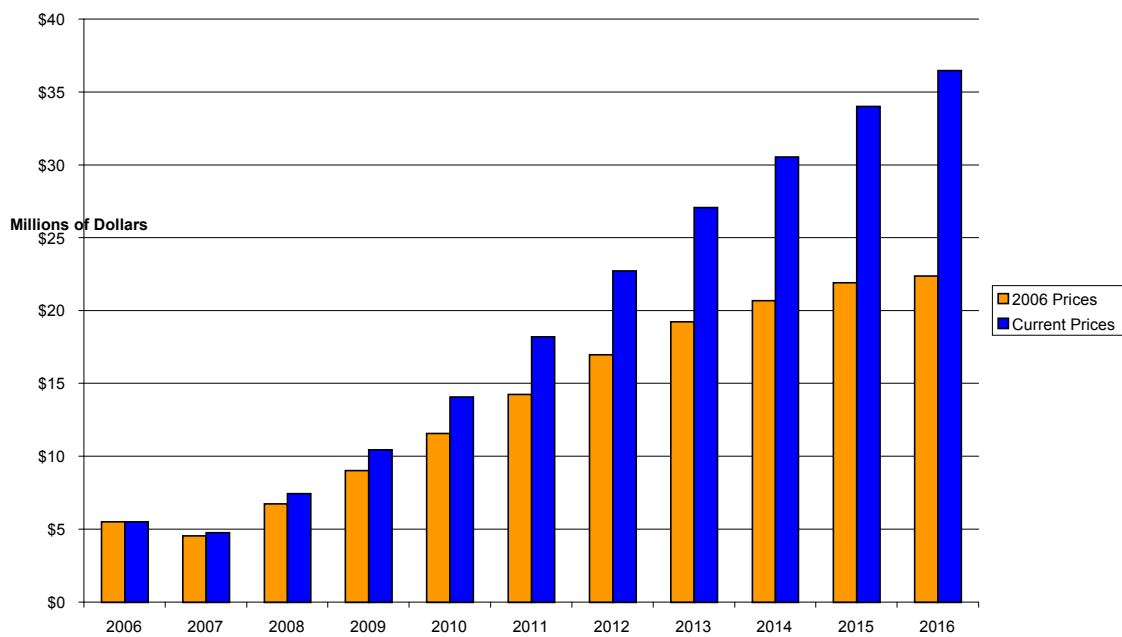
	2011	2012	2013	2014	2015	2016
Greenville County	\$18,531,491	\$23,158,654	\$27,597,374	\$31,088,790	\$34,574,308	\$37,062,838
Oconee County	\$4,090,706	\$4,655,786	\$5,134,072	\$5,501,594	\$5,776,674	\$6,065,507
Pickens County	\$9,265,916	\$10,459,541	\$11,471,248	\$12,066,419	\$12,685,417	\$13,319,687
Buncombe County	\$6,576,123	\$7,320,413	\$8,087,792	\$8,492,181	\$8,916,790	\$9,362,630
TOTAL	\$38,464,235	\$45,594,394	\$52,290,487	\$57,148,985	\$61,953,189	\$65,810,662

Figures 19 to 23 illustrate the property tax trends both in real dollars and current dollars. Figure 19 shows the expected growth in property tax revenues in the four county region while Figures 20 to 23 illustrate the county results.

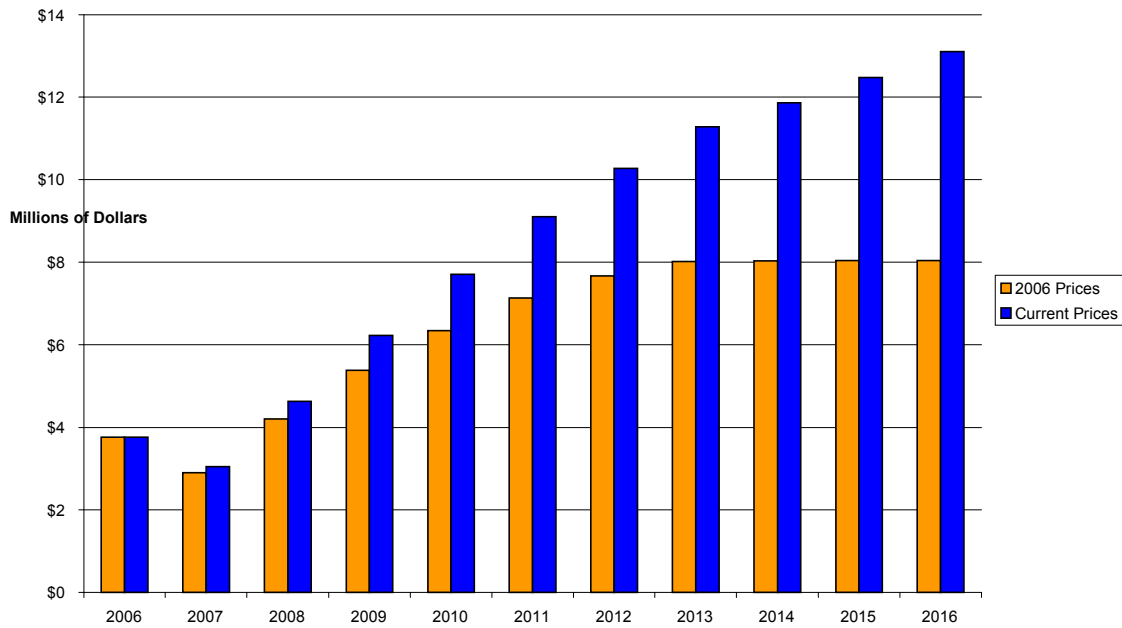
**Figure 19. Regional Total
Estimated Total Property Tax (Real Estate and Personal Property)
2006 Prices and Current Prices**



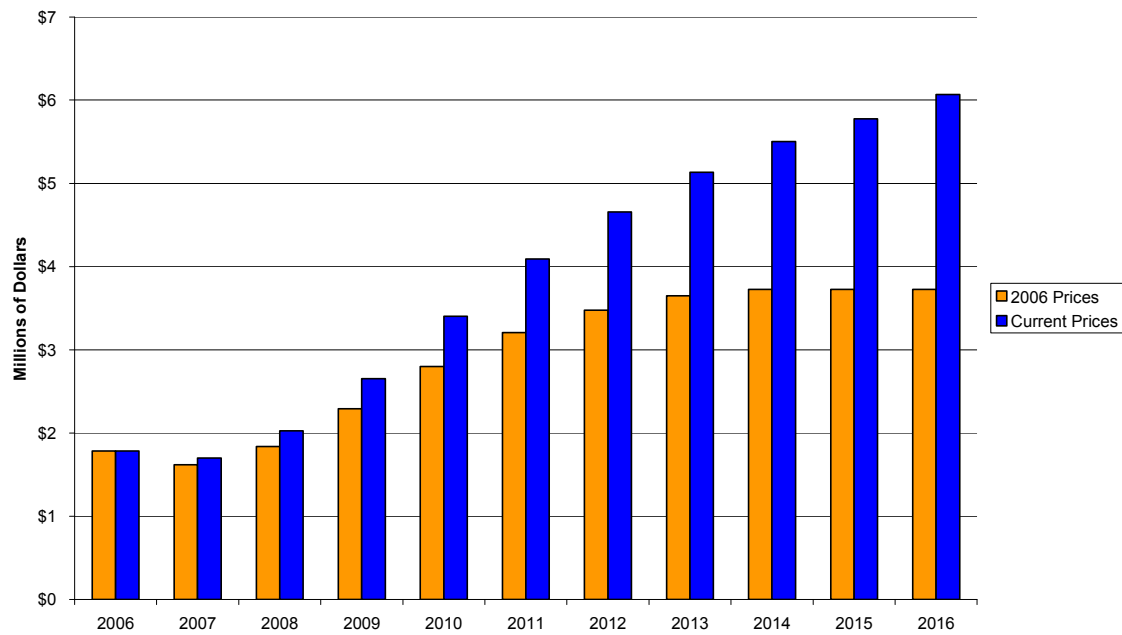
**Figure 20. Greenville County
Cliffs Related Total Property Tax (Real Estate and Personal Property)
2006 Prices and Current Prices**



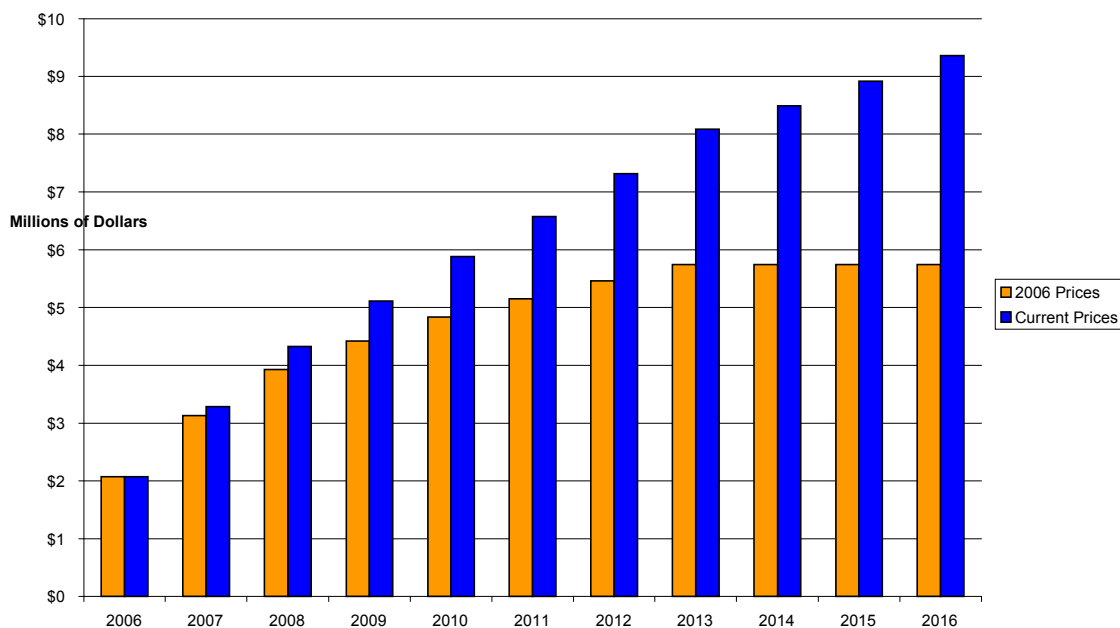
**Figure 21. Pickens County
Cliffs Related Total Property Tax (Real Estate and Personal Property)
2006 Prices and Current Prices**



**Figure 22. Oconee County
Estimated Total Property Tax (Real Estate and Personal Property)
2006 Prices and Current Prices**



**Figure 23. Buncombe County
Cliffs Related Total Property Tax (Real Estate and Personal Property)
2006 Prices and Current Prices**



Local Sales Tax Revenues.

Pickens County and Buncombe County levy a local sales tax. As Cliffs Communities expand, new residents increase the volume of purchases of taxable goods in the county. Following modeling guidelines from the Federal Reserve System, we allow 30% of the projected Cliffs Communities' resident income to be used for items that are subject to the sales tax. In 2006, the local sales taxes to the two counties attributable to Cliffs Communities were estimated to be about \$268 thousand as shown in Table 33. In constant 2006 prices, these revenues increase to almost \$1.8 million by 2016.

For Pickens County alone the trend in local option sales taxes is depicted in Figure 24. These revenues associated with the Cliffs communities increase from about \$119,000 in 2006 to \$961 thousand in 2016. Without High Carolina considered, the trend in Buncombe County local sales tax revenue is illustrated in Figure 25. Revenues are expected to expand from \$148,500 in 2006 to \$835,875 in 2016 in constant 2006 prices. Compared to expected property tax revenues, local sales taxes are minor sources of local tax revenues for the counties.

Table 33. Local Sales Tax Revenue (\$ 2006)

	2006	2007	2008	2009	2010
Vineyards	\$97,200	\$136,800	\$199,800	\$256,500	\$312,750
Springs	\$22,050	\$73,800	\$145,800	\$213,300	\$280,800
Pickens County	\$119,250	\$210,600	\$345,600	\$469,800	\$593,550
Buncombe County	\$148,500	\$232,875	\$351,000	\$474,750	\$589,500
TOTAL	\$267,750	\$443,475	\$696,600	\$944,550	\$1,183,050

	2011	2012	2013	2014	2015	2016
Vineyards	\$371,250	\$432,000	\$474,750	\$474,750	\$474,750	\$474,750
Springs	\$348,300	\$404,550	\$445,050	\$469,800	\$486,900	\$486,900
Pickens County	\$719,550	\$836,550	\$919,800	\$944,550	\$961,650	\$961,650
Buncombe County	\$673,875	\$758,250	\$835,875	\$835,875	\$835,875	\$835,875
TOTAL	\$1,393,425	\$1,594,800	\$1,755,675	\$1,780,425	\$1,797,525	\$1,797,525

Figure 24. Cliffs Related Local Sales Tax Revenue in 2006 Prices: Pickens County

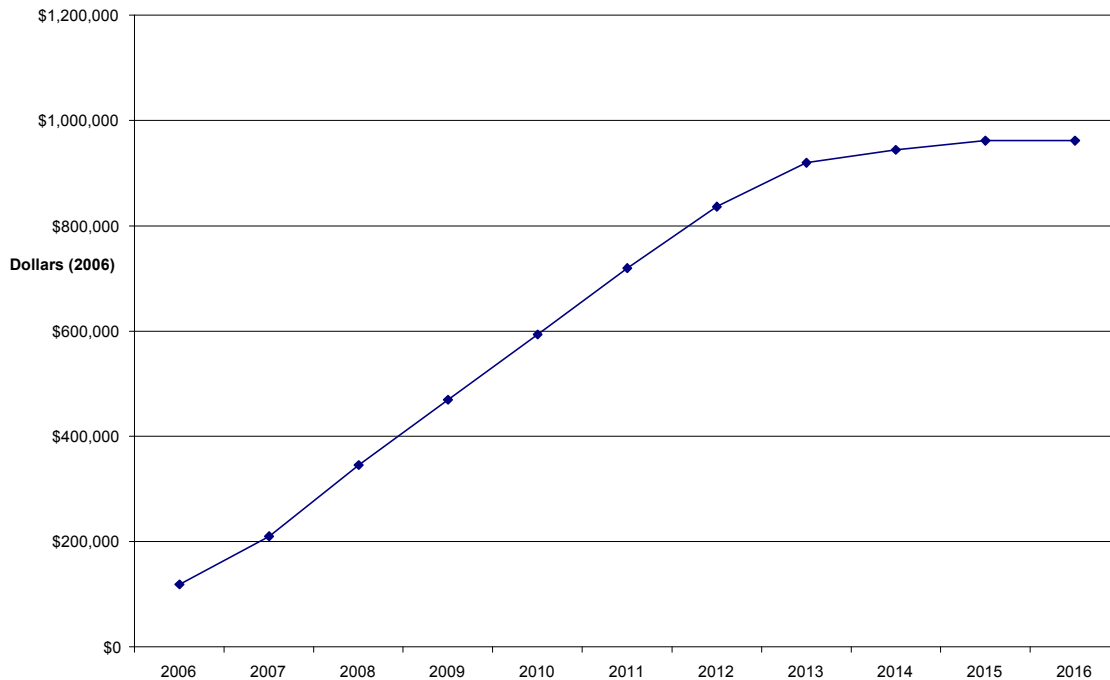
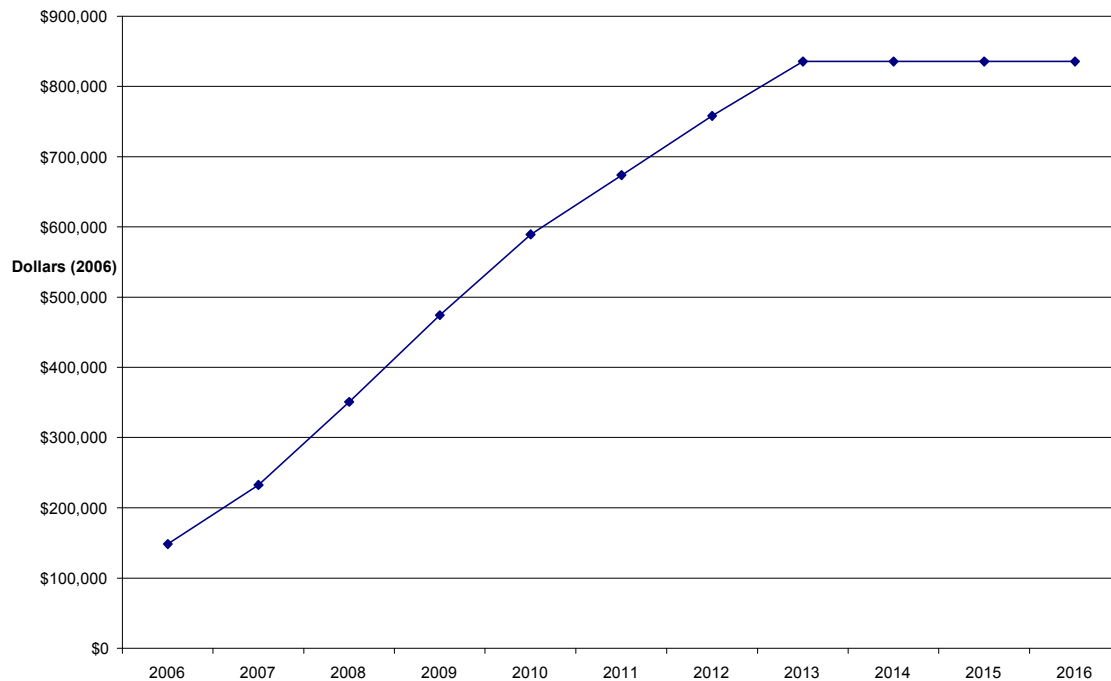


Figure 25. Cliffs Related Local Sales Tax Revenue in 2006 Prices: Buncombe County



Summary

Cliffs related local tax revenues come from several sources. These include property tax levies on real and personal property associated with Cliffs Communities property owners and the Cliffs Communities owned amenities, lots and undeveloped land. Local option sales taxes in Buncombe County, NC and Pickens County, SC that are associated with consumer spending by residents of the Cliffs Communities are additional local tax revenues. For 2006, the actual property taxes paid are obtained from county tax assessor's offices for lots purchased and improvements on that property. Cliffs Communities, Inc. provided information on local property tax bills for 2006 on lots, undeveloped land and amenities. Estimated local option sales taxes in Buncombe and Pickens Counties are added to the property taxes to find total Cliffs related local tax revenues in each of the four counties (small property tax payments to Transylvania County and Henderson County are not counted).

Estimates of total Cliffs related local tax revenues for the 2006 to 2016 decade are listed in Table 34 for 2006 constant prices and Table 35 for current prices (allowing 5% per year appreciation in property values at the Cliffs Communities).

Table 34. Total Tax Revenues, 2006 Prices

	2006	2007	2008	2009	2010
Greenville County	\$5,529,238	\$4,600,050	\$6,853,440	\$9,184,948	\$11,779,468
Oconee County	\$1,783,401	\$1,618,806	\$1,837,218	\$2,290,851	\$2,800,393
Pickens County	\$3,888,919	\$3,128,376	\$4,600,193	\$5,925,694	\$7,037,990
Buncombe County	\$2,223,824	\$3,363,332	\$4,279,786	\$4,895,618	\$5,432,024
TOTAL	\$13,425,383	\$12,710,564	\$17,570,637	\$22,297,110	\$27,049,875

	2011	2012	2013	2014	2015	2016
Greenville County	\$14,519,908	\$17,281,344	\$19,612,939	\$21,042,117	\$22,286,907	\$22,753,367
Oconee County	\$3,205,175	\$3,474,219	\$3,648,689	\$3,723,695	\$3,723,695	\$3,723,695
Pickens County	\$7,979,637	\$8,641,621	\$9,072,202	\$9,111,578	\$9,138,783	\$9,138,783
Buncombe County	\$5,826,439	\$6,220,855	\$6,583,718	\$6,583,718	\$6,583,718	\$6,583,718
TOTAL	\$31,531,160	\$35,618,039	\$38,917,548	\$40,461,108	\$41,733,103	\$42,199,563

Table 35. Total Tax Revenues, Current Prices

	2006	2007	2008	2009	2010
Greenville County	\$5,529,238	\$4,830,052	\$7,555,917	\$10,632,725	\$14,318,017
Oconee County	\$1,783,401	\$1,699,747	\$2,025,533	\$2,651,946	\$3,403,895
Pickens County	\$3,888,919	\$3,280,583	\$5,057,336	\$6,829,242	\$8,501,303
Buncombe County	\$2,223,824	\$3,526,841	\$4,703,862	\$5,636,480	\$6,549,605
TOTAL	\$13,425,383	\$13,337,223	\$19,342,649	\$25,750,393	\$32,772,820

	2011	2012	2013	2014	2015	2016
Greenville County	\$18,531,491	\$23,158,654	\$27,597,374	\$31,088,790	\$34,574,308	\$37,062,838
Oconee County	\$4,090,706	\$4,655,786	\$5,134,072	\$5,501,594	\$5,776,674	\$6,065,507
Pickens County	\$10,100,071	\$11,458,425	\$12,602,486	\$13,262,947	\$13,940,152	\$14,612,065
Buncombe County	\$7,357,329	\$8,225,803	\$9,115,813	\$9,551,043	\$10,007,418	\$10,485,976
TOTAL	\$40,079,597	\$47,498,669	\$54,449,745	\$59,404,374	\$64,298,551	\$68,226,386

Total Cliffs related local tax revenues expand from \$13 million in 2006 to \$42 million in 2016 in constant 2006 dollars. If property values expand by 5% per annum and local option sales taxes revenue bases expand by 3% per year, total tax revenues from Cliffs activities will be \$68 million by 2016. Greenville County revenues from the Cliffs activities are the highest among the four counties increasing in constant dollars from \$5.5 million in 2006 to \$22.7 million in 2016 (and to \$37 million in current dollars).

Added Public Sector Expenses To The County.

Residential growth generally creates costs to the public sector as well as added local tax revenues. New residents typically require public services (e.g., education, police and fire protection, emergency medical services, and trash collection) and increase the demand on publicly provided services (parks, sewer and water systems, roads). Expanding public service delivery and infrastructure generate additional costs to the county. In the case of The Cliffs Communities, however, new costs to a county are likely to be small compared to a typical suburban development dominated by families with school age children. Added security protection, fire protection, and emergency medical services are often funded by the Property Owners Association and through special tax districts at Cliffs Communities. Thus, other county residents may bear little or no additional costs for these services. However, expansion of off-site water treatment, wastewater treatment, and distribution and collection facilities may be required to serve additional Cliffs Communities residents. Estimates of these added costs are beyond the scope of this report but could be compared to added expected tax revenues in this report to generate estimates of net fiscal effect on county governments from the Cliffs Communities.

Tax Revenues and Costs for Public Schools. A principal beneficiary of an expanding property tax base is typically the county School District. This continues to be the case for Buncombe county schools in North Carolina. The School District will gain substantial new revenues as shown in the property tax revenue estimates above. However, with the South Carolina tax swap in 2007 that eliminates the school operating millage from the tax rate, the added property tax base in the Cliffs Communities will provide fewer benefits to the local school district than in years prior to 2007. On the other hand, few school age children are expected at Cliffs Communities; therefore, we expect there will be little added school costs from residents of the Cliffs Communities. However, the substantial employment impacts associated with development of the communities are likely to create demand for local education in the region. Again, while estimates of added educational costs are beyond the scope of this study, it is likely that, compared to a traditional suburban development in the region, most of the expected school revenue from Cliffs Communities will be a net fiscal benefit to the county School District in Buncombe County. In South Carolina, schools still benefit from millages for capital improvements, but the net fiscal benefit is likely to be smaller than in Buncombe County.

Public Sector Summary

In summary, the Cliffs Communities are likely to provide a net fiscal benefit to both the county and the county School District. Because of the “own-provision” of many local services through the Cliffs Communities special purpose district and because few children are included in the new households, added costs to local governments are likely to be small compared to new tax revenues. Moreover, most new jobs are in the construction, trade and service sectors. These jobs are likely to be filled by unemployed residents of the county or commuters from nearby places since wage levels in these sectors may be too low to induce in-migration. Accordingly, little added pressure on new public services is anticipated from

the new jobs in the service and trade sectors. Similarly, the economic impacts associated with new consumer spending could be less than reported if there is simply a relocation of the county residents to the Cliffs Communities from other places in the county. However, data on lot and home sales from Cliffs Communities shows that new Cliffs Communities residents typically have in-migrated from places outside the county.

Table A-1. ESTIMATE OF PLATTED/SOLD LOTS AS OF 12/31/06 FORWARD

	Lots Platted/Sold as of 12/31/06	Lots Platted/Sold as of 12/31/07	Lots Platted/Sold as of 12/31/08	Lots Platted/Sold as of 12/31/09	Lots Platted/Sold as of 12/31/10
Glassy	1,000	1,000	1,000	1,000	1,000
% Change		1.00	1.00	1.00	1.00
Valley	872	872	872	872	872
% Change		1.00	1.00	1.00	1.00
Mountain Park	150	307	532	707	907
% Change		2.05	1.73	1.33	1.28
Vineyards	654	694	763	839	924
% Change		1.12	1.10	1.10	1.10
Falls South	436	584	608	728	836
% Change		1.79	1.04	1.20	1.15
Springs	277	364	648	773	923
% Change		1.61	1.78	1.19	1.19
Walnut Cove	482	599	729	743	743
% Change		1.49	1.22	1.02	1.00
Total	3,871	4,420	5,152	5,662	6,205
% Change		1.28	1.17	1.10	1.10

	Lots Platted/Sold as of 12/31/11	Lots Platted/Sold as of 12/31/12	Lots Platted/Sold as of 12/31/13	Lots Platted/Sold as of 12/31/14	Lots Platted/Sold as of 12/31/15	Lots Platted/Sold as of 12/31/16
Glassy	1,000	1,000	1,000	1,000	1,000	1,000
% Change	1.00	1.00	1.00	1.00	1.00	1.00
Valley	872	872	872	872	872	872
% Change	1.00	1.00	1.00	1.00	1.00	1.00
Mountain Park	1,107	1,307	1,500	1,500	1,500	1,500
% Change	1.22	1.18	1.15	1.00	1.00	1.00
Vineyards	1,019	1,055	1,055	1,055	1,055	1,055
% Change	1.10	1.04	1.00	1.00	1.00	1.00
Falls South	916	916	916	916	916	916
% Change	1.10	1.00	1.00	1.00	1.00	1.00
Springs	1,069	1,082	1,082	1,082	1,082	1,082
% Change	1.16	1.01	1.00	1.00	1.00	1.00
Walnut Cove	743	743	743	743	743	743
% Change	1.00	1.00	1.00	1.00	1.00	1.00
Total	6,726	6,975	7,168	7,168	7,168	7,168
% Change	1.08	1.04	1.03	1.00	1.00	1.00

Table A-2. ESTIMATE OF RAW LAND AND PLATTED/SOLD LOTS AS OF 12/31/06 FORWARD

		Undeveloped	LOTS SOLD 06-07	Undeveloped	LOTS SOLD 07-08	Undeveloped	LOTS SOLD 08-09	Undeveloped	LOTS SOLD 09-010
	Total Acres*	as of 12/31/06		as of 12/31/07		as of 12/31/08		as of 12/31/09	
Glassy	3,000	0	0	0	0	0	0	0	0
Valley	2,616	0	0	0	0	0	0	0	0
Mountain Park	4,500	4,050	471	3,579	675	2,904	525	2,379	600
Vineyards	2,110	802	80	722	138	584	152	432	170
Falls South	1,832	960	296	664	48	616	240	376	216
Springs	1,623	1,208	131	1,077	426	651	188	464	225
Walnut Cove	929	327	146	180	163	18	18	0	0
TOTAL		7,346	1,124	6,222	1,450	4,773	1,122	3,651	1211

	Undeveloped	LOTS SOLD 10-11	Undeveloped	LOTS SOLD 11-12	Undeveloped	LOTS SOLD 12-13	Undeveloped
	as of 12/31/10		as of 12/31/11		as of 12/31/12		as of 12/31/13 **
Glassy	0	0	0	0	0	0	0
Valley	0	0	0	0	0	0	0
Mountain Park	1,779	600	1,179	600	579	579	0
Vineyards	262	190	72	72	0	0	0
Falls South	160	160	0	0	0	0	0
Springs	239	219	20	20	0	0	0
Walnut Cove	0	0	0	0	0	0	0
TOTAL	2,440	1169	1,271	692	579	579	0

*estimate based on published acres per community on Cliffs Communities website

Table A-3. ESTIMATE OF HOME CONSTRUCTION AS OF 12/31/06 FORWARD

	Total Lots	Existing Home Const.					
		as of 12/31/06	as of 12/31/07	as of 12/31/08	as of 12/31/09	as of 12/31/10	
Glassy	1,000	340	411	483	563	640	
% Change			1.33	1.18	1.17	1.14	
Valley	872	280	335	405	480	555	
% Change			1.37	1.21	1.19	1.16	
Mountain Park	1,500	5	55	155	315	525	
% Change			11.00	2.82	2.03	1.67	
TOT GNV CO.	3,372	625	801	1,043	1,358	1,720	
% Change			1.45	1.30	1.30	1.27	
Falls South	916	63	128	218	313	453	
% Change			3.46	1.70	1.44	1.45	
Vineyards	1,055	216	304	444	570	695	
% Change			1.78	1.46	1.28	1.22	
Springs	1,082	49	164	324	474	624	
% Change			3.35	1.98	1.46	1.32	
TOT PICKENS	2,137	265	468	768	1,044	1,319	
% Change			2.74	1.64	1.36	1.26	
Walnut Cove	743	132	207	312	422	524	
% Change			2.07	1.51	1.35	1.24	
TOTAL	7,168	1,085	1,604	2,341	3,137	4,016	
% Change			1.86	1.46	1.34	1.28	
		as of 12/31/11	as of 12/31/12	as of 12/31/13	as of 12/31/14	as of 12/31/15	as of 12/31/16
Glassy		715	790	865	940	1,000	1,000
% Change		1.12	1.10	1.09	1.09	1.06	1.00
Valley		630	705	780	845	872	872
% Change		1.14	1.12	1.11	1.08	1.03	1.00
Mountain Park		750	992	1,185	1,320	1,445	1,500
% Change		1.43	1.32	1.19	1.11	1.09	1.04
TOT GNV CO.		2,095	2,487	2,830	3,105	3,317	3,372
% Change		1.22	1.19	1.14	1.10	1.07	1.02
Falls South		598	763	870	916	916	916
% Change		1.32	1.28	1.14	1.05	1.00	1.00
Vineyards		825	960	1,055	1,055	1,055	1,055
% Change		1.19	1.16	1.10	1.00	1.00	1.00
Springs		774	899	989	1,044	1,082	1,082
% Change		1.24	1.16	1.10	1.06	1.04	1.00
TOT PICKENS		1,599	1,859	2,044	2,099	2,137	2,137
% Change		1.21	1.16	1.10	1.03	1.02	1.00
Walnut Cove		599	674	743	743	743	743
% Change		1.14	1.13	1.10	1.00	1.00	1.00
TOTAL		4,891	5,783	6,487	6,863	7,113	7,168
% Change		1.22	1.18	1.12	1.06	1.04	1.01

Table A-5. Taxes Paid on PURCHASED LOTS

	= Previous Year Total * (% Change Lots Platted/Sold)					
	2006 (Actual)	2007	2008	2009	2010	
Glassy	\$1,061,347	\$1,061,347	\$1,061,347	\$1,061,347	\$1,061,347	
Valley	\$1,160,508	\$1,160,508	\$1,160,508	\$1,160,508	\$1,160,508	
Mountain Park	\$603,808	\$1,235,794	\$2,141,506	\$2,845,949	\$3,651,027	
TOT GNV CO.	\$2,825,663	\$3,457,649	\$4,363,362	\$5,067,804	\$5,872,882	
Falls South	\$1,591,112	\$2,850,336	\$2,967,473	\$3,553,159	\$4,080,276	
Vineyards	\$1,079,685	\$1,204,664	\$1,324,436	\$1,456,359	\$1,603,905	
Springs	\$909,123	\$1,464,251	\$2,606,689	\$3,109,523	\$3,712,923	
TOT PICKENS	\$1,988,808	\$2,668,916	\$3,931,126	\$4,565,882	\$5,316,828	
Walnut Cove	\$1,100,454	\$1,643,820	\$2,000,576	\$2,038,995	\$2,038,995	
TOTAL	\$7,506,037	\$10,620,721	\$13,262,536	\$15,225,841	\$17,308,981	
	2011	2012	2013	2014	2015	2016
Glassy	\$1,061,347	\$1,061,347	\$1,061,347	\$1,061,347	\$1,061,347	\$1,061,347
Valley	\$1,160,508	\$1,160,508	\$1,160,508	\$1,160,508	\$1,160,508	\$1,160,508
Mountain Park	\$4,456,104	\$5,261,182	\$6,038,082	\$6,038,082	\$6,038,082	\$6,038,082
TOT GNV CO.	\$6,677,960	\$7,483,037	\$8,259,937	\$8,259,937	\$8,259,937	\$8,259,937
Falls South	\$4,470,733	\$4,470,733	\$4,470,733	\$4,470,733	\$4,470,733	\$4,470,733
Vineyards	\$1,768,808	\$1,831,298	\$1,831,298	\$1,831,298	\$1,831,298	\$1,831,298
Springs	\$4,300,233	\$4,352,528	\$4,352,528	\$4,352,528	\$4,352,528	\$4,352,528
TOT PICKENS	\$6,069,041	\$6,183,826	\$6,183,826	\$6,183,826	\$6,183,826	\$6,183,826
Walnut Cove	\$2,038,995	\$2,038,995	\$2,038,995	\$2,038,995	\$2,038,995	\$2,038,995
TOTAL	\$19,256,729	\$20,176,591	\$20,953,491	\$20,953,491	\$20,953,491	\$20,953,491

Table A-6. Taxes Paid on PROPERTY IMPROVEMENT on PURCHASED LOTS

	= Previous Year Total * (% Change Existing Home Construction)					
	2006 (Actual)	2007	2008	2009	2010	
Glassy	\$1,204,120	\$1,601,597	\$1,882,169	\$2,193,915	\$2,493,971	
Valley	\$696,308	\$952,095	\$1,151,040	\$1,364,196	\$1,577,352	
Mountain Park	0	\$830,610	\$2,340,810	\$4,757,130	\$7,928,550	
TOT GNV CO.	\$1,900,429	\$3,384,302	\$5,374,019	\$8,315,241	\$11,999,872	
Falls South	\$123,732	\$428,047	\$729,017	\$1,046,708	\$1,514,884	
Vineyards	\$1,088,874	\$1,935,776	\$2,827,251	\$3,629,579	\$4,425,540	
Springs	\$13,811	\$46,224	\$91,321	\$133,599	\$175,878	
TOT PICKENS	\$1,102,685	\$1,982,000	\$2,918,572	\$3,763,179	\$4,601,417	
Walnut Cove	\$406,834	\$842,146	\$1,269,322	\$1,716,840	\$2,131,810	
TOTAL	\$3,533,680	\$6,636,495	\$10,290,930	\$14,841,967	\$20,247,984	
	2011	2012	2013	2014	2015	2016
Glassy	\$2,786,233	\$3,078,495	\$3,370,757	\$3,663,020	\$3,896,829	\$3,896,829
Valley	\$1,790,507	\$2,003,663	\$2,216,818	\$2,401,553	\$2,478,289	\$2,478,289
Mountain Park	\$11,326,500	\$14,981,184	\$17,895,870	\$19,934,640	\$21,822,390	\$22,653,000
TOT GNV CO.	\$15,903,240	\$20,063,342	\$23,483,446	\$25,999,213	\$28,197,509	\$29,028,119
Falls South	\$1,999,781	\$2,551,560	\$2,909,380	\$3,063,209	\$3,063,209	\$3,063,209
Vineyards	\$5,253,339	\$6,112,976	\$6,717,906	\$6,717,906	\$6,717,906	\$6,717,906
Springs	\$218,156	\$253,388	\$278,755	\$294,257	\$304,967	\$304,967
TOT PICKENS	\$5,471,494	\$6,366,364	\$6,996,660	\$7,012,162	\$7,022,873	\$7,022,873
Walnut Cove	\$2,436,936	\$2,742,061	\$3,022,777	\$3,022,777	\$3,022,777	\$3,022,777
TOTAL	\$25,811,451	\$31,723,327	\$36,412,263	\$39,097,361	\$41,306,368	\$42,136,978

Table A-7. ESTIMATED VALUE OF NEW CLIFFS AMENITIES in 2006 PRICES (FROM AMENITY PLANS)

	NEW BY 12/31/06	BY 12/31/07	BY 12/31/08	BY 12/31/09	BY 12/31/10
Glassy	0	0	0	0	0
Valley	0	0	0	0	0
Mountain Park	220,000	13,824,360	45,668,520	21,075,380	6,901,750
	0	0	0	0	0
TOT GNV CO.	220,000	13,824,360	45,668,520	21,075,380	6,901,750
	0	0	0	0	0
Falls South	16,287,500	12,482,500	2,214,100	4,835,500	5,650,400
	0	0	0	0	0
Vineyards	480,000	20,000	0	0	0
Springs	1,215,000	24,691,700	28,393,460	48,539,060	20,540,790
TOT PICKENS	1,695,000	24,711,700	28,393,460	48,539,060	20,540,790
	0	0	0	0	0
Walnut Cove	1,515,000	12,883,750	2,861,250	0	0
HIGH CAROLINA	0	950,000	21,319,125	8,405,625	23,903,700
TOTAL BUNCOMBE	1,515,000	13,833,750	24,180,375	8,405,625	23,903,700
TOTAL	19,717,500	64,852,310	100,456,455	82,855,565	56,996,640

	BY 12/31/11	BY 12/31/12	BY 12/31/13	BY 12/31/14	BY 12/31/15	BY 12/31/16
Glassy	0	0	0	0	0	0
Valley	0	0	0	0	0	0
Mountain Park	8,513,500	0	0	0	0	0
	0	0	0	0	0	0
TOT GNV CO.	8,513,500	0	0	0	0	0
	0	0	0	0	0	0
Falls South	0	0	0	0	0	0
	0	0	0	0	0	0
Vineyards	0	0	0	0	0	0
Springs	0	0	0	0	0	0
TOT PICKENS	0	0	0	0	0	0
	0	0	0	0	0	0
Walnut Cove	0	0	0	0	0	0
HIGH CAROLINA	6,316,550	0	0	0	0	0
TOTAL BUNCOMBE	6,316,550	0	0	0	0	0
TOTAL	14,830,050	0	0	0	0	0

Table A-8. Taxes paid on AMENITIES by CLIFFS and Undeveloped Land
(Millage rates at 2006 levels including school operations)

	'=Previous Year + (Est. Value Amenities * AR * Millage) - (LotsSold * \$10K * AR * Millage)					
	2006 (Actual)	2007	2008	2009	2010	
10.5% assessment-Amenities						
4.0% assessment-Undeveloped						
Glassy						
Valley						
Mountain Park						
TOT GNV CO.	\$347,247	\$665,184	\$1,804,176	\$2,308,309	\$2,430,304	
Falls South	\$15,029	\$258,250	\$301,759	\$385,752	\$489,158	
Vineyards	\$270,842	\$263,956	\$251,243	\$237,241	\$221,581	
Springs	\$138,629	\$640,618	\$1,196,054	\$2,188,323	\$2,596,719	
TOT PICKENS	\$409,672	\$904,775	\$1,447,499	\$2,425,765	\$2,818,501	
Walnut Cove	\$256,174	\$325,615	\$333,131	\$332,067	\$332,067	
TOTAL	\$1,028,122	\$2,153,824	\$3,886,565	\$5,451,894	\$6,070,030	
	2011	2012	2013	2014	2015	2016
Glassy						
Valley						
Mountain Park						
TOT GNV CO.	\$2,594,895	\$2,534,487	\$2,476,194	\$2,476,194	\$2,476,194	\$2,476,194
Falls South	\$476,102	\$476,102	\$476,102	\$476,102	\$476,102	\$476,102
Vineyards	\$204,078	\$197,445	\$197,445	\$197,445	\$197,445	\$197,445
Springs	\$2,579,409	\$2,577,868	\$2,577,868	\$2,577,868	\$2,577,868	\$2,577,868
TOT PICKENS	\$2,783,688	\$2,775,514	\$2,775,514	\$2,775,514	\$2,775,514	\$2,775,514
Walnut Cove	\$332,067	\$332,067	\$332,067	\$332,067	\$332,067	\$332,067
TOTAL	\$6,186,753	\$6,118,171	\$6,059,877	\$6,059,877	\$6,059,877	\$6,059,877

Table A-9. PERSONAL PROPERTY Taxes paid by Residents

	= Previous Year Total * (% Change Existing Home Construction)					
	2006 (Actual)	2007	2008	2009	2010	
Glassy	\$98,766	\$131,368	\$154,381	\$179,951	\$204,563	
Valley	\$68,586	\$93,781	\$113,377	\$134,373	\$155,368	
Mountain Park	\$0	\$21,407	\$60,329	\$122,604	\$204,340	
TOT GNV CO.	\$167,352	\$246,556	\$328,087	\$436,928	\$564,272	
Falls South	\$1,025	\$3,544	\$6,036	\$8,667	\$12,543	
Vineyards	\$16,332	\$29,035	\$42,406	\$54,440	\$66,379	
Springs	\$0	\$51,040	\$100,835	\$147,518	\$194,201	
TOT PICKENS	\$16,332	\$80,075	\$143,241	\$201,958	\$260,580	
Walnut Cove	\$6,554	\$13,566	\$20,448	\$27,657	\$34,341	
TOTAL	\$191,262	\$343,741	\$497,812	\$675,210	\$871,736	
	2011	2012	2013	2014	2015	2016
Glassy	\$228,535	\$252,507	\$276,480	\$300,452	\$319,630	\$319,630
Valley	\$176,364	\$197,360	\$218,355	\$236,552	\$244,110	\$244,110
Mountain Park	\$291,915	\$386,106	\$461,225	\$513,770	\$562,423	\$583,830
TOT GNV CO.	\$696,814	\$835,973	\$956,060	\$1,050,774	\$1,126,162	\$1,147,569
Falls South	\$16,558	\$21,127	\$24,090	\$25,364	\$25,364	\$25,364
Vineyards	\$78,795	\$91,688	\$100,762	\$100,762	\$100,762	\$100,762
Springs	\$240,884	\$279,787	\$307,797	\$324,914	\$336,740	\$336,740
TOT PICKENS	\$319,679	\$371,475	\$408,558	\$425,675	\$437,502	\$437,502
Walnut Cove	\$39,257	\$44,172	\$48,694	\$48,694	\$48,694	\$48,694
TOTAL	\$1,072,308	\$1,272,747	\$1,437,403	\$1,550,507	\$1,637,722	\$1,659,129

