Sachs on the Seawall
Economic Impact Assessment

GALVESTON CENTER
FOR INNOVATION AND TRANSFORMATION

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Cover: A rendering of the proposed Sachs on the Seawall from the retail level
Above: A view of the Hotel tower and middle condo building

Executive Summary

Economic Impact Summary:

Initial Investment:	**$540 million**
Total Economic Output:	**$720-868 million during construction**
Property Tax:	**$8.32 million**
City Property Tax:	**$2.2 million**
Hotel Occupancy Tax:	**$1.78 million**
Vistor Spending:	**$17-21 million**
Payroll:	**$14.4-17.7 million**
Employment:	**475-575 jobs**
Annual Economic Output:	**$80-95 million**

Project Overview:

Sachs on the Seawall represents a landmark $540 million private investment at the western terminus of Galveston's Seawall. The project is designed as a vibrant mixed-use destination combining hospitality, residential, retail, and public green spaces. This advances Galveston's long-term goals of economic diversification, tourism enhancement, and community livability.

Project Components:

Hotel: 216-key Marriott Renaissance featuring ballroom, meeting, and conference facilities.

Residential: 150 for-sale condominiums (Phase I) and 236 apartments (Phase II), including workforce-oriented units to support local employees in hospitality and service sectors.

Retail & Dining: 70,000 square feet of commercial space anchored by regional and national restaurant brands.

Public Amenities: Four acres of green space and a coastal nature preserve, offering improved public access and recreation opportunities.

Economic & Fiscal Impacts

1. Construction Phase

Private Investment: $540 million in total project value

Employment: Approximately 350 direct construction jobs and hundreds of additional indirect and induced jobs in supporting industries

Total Economic Output: Estimated between $720 million and $810 million during the construction period

2. Operational Phase

Upon completion, the development will sustain a diverse employment base and recurring fiscal revenues across multiple jurisdictions.

Estimated Annual Impact (Year 1)

Property Tax Revenues: **$8.32 million**

Hotel Occupancy Tax: **$1.78 million**

Visitor Spending: **$13–$16 million**

Hotel, Retail, and Restaurant Payroll: **$14.4–$17.7 million**

Total Economic Output (Including Induced Effects): **$80–$95 million annually**

Estimated 10-Year Projection (3% Annual Growth)

Property Tax Revenues ≈ **$10.9 million**

Visitor Spending: ≈ **$17–$21 million**

Hotel, Retail, and Restaurant Payroll: ≈ **$18.8–$23.1 million**

Total Economic Output (Including Induced Effects): ≈ **$105–$125 million**

Employment Impact (Operations Phase):

Hotel Operations: 175–225 permanent jobs with annual payroll of $5.4–$6.9 million.

Retail & Restaurants: 300–350 permanent jobs with annual payroll of $9–$10.8 million.

Workforce Housing and Proximity Benefits: On-site residential units will accommodate local employees, reducing commuting burdens and promoting economic stability within the city's workforce base.

Above: The proposed parcel for Sachs on the Seawall at 10302 Seawall Blvd. in Galveston, Texas

Community & Strategic Benefits

Fiscal Stability and Growth:
Recurring property taxes of more than $8.3 million annually, alongside sales, hotel occupancy, and alcohol taxes, will strengthen the City of Galveston's fiscal base. Cumulative local tax revenues over ten years are projected to exceed $95 million.

Local Employment and Workforce Development:
The project will directly and indirectly create more than 600 long-term jobs, offering advancement opportunities in hospitality, management, and skilled trades. Partnerships with Galveston College and local training programs can align to support these workforce pathways.

Tourism Diversification:
The Marriott Renaissance will elevate Galveston's position as a year-round conference and group travel destination, reducing reliance on seasonal tourism cycles and increasing average visitor spending.

Community Integration:
Sachs on the Seawall enhances public access to greenspace and supports a livable, walkable coastal environment that benefits both residents and visitors.

Introduction:

The Galveston Economic Development Partnership (GEDP) has prepared this Economic Impact Assessment to evaluate the potential economic, fiscal, and community effects of the proposed Sachs On the Seawall Development, a mixed-use project anchored by a hotel and retail component.

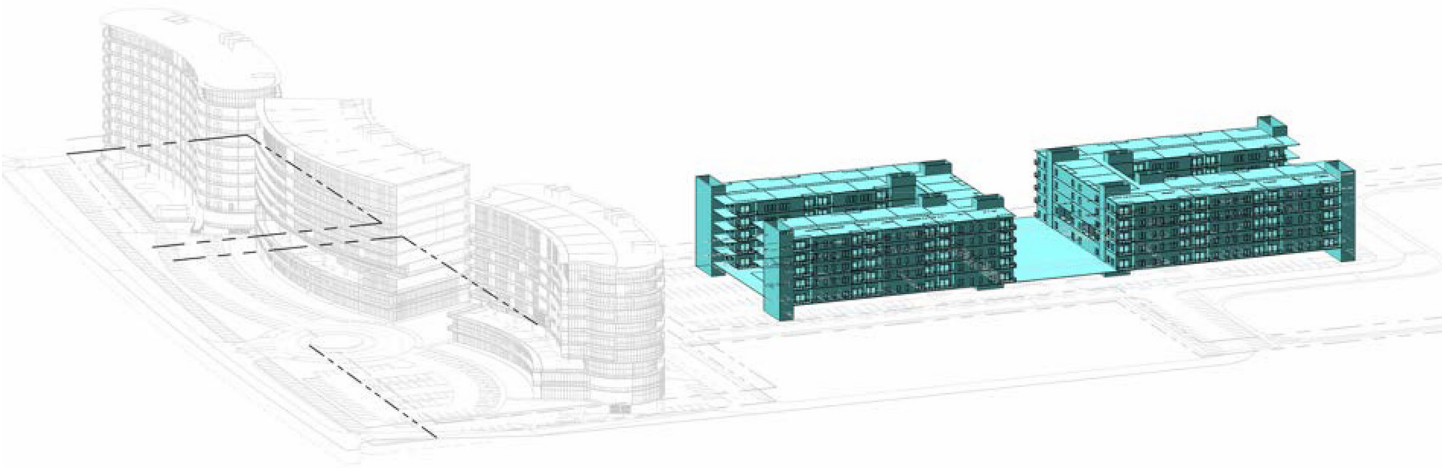
The purpose of this study is to:

- **Quantify the economic benefits** that the development is expected to generate during both the construction and operational phases, including direct, indirect, and induced impacts.
- **Assess fiscal contributions** to the City of Galveston and other taxing jurisdictions through property taxes, sales taxes, hotel occupancy taxes, and other revenue streams.
- **Evaluate employment impacts**, including construction job-years, permanent hotel and retail positions, and the broader multiplier effects on the local labor market.
- **Measure tourism and visitor impacts**, such as increased overnight stays, local spending, and enhanced destination competitiveness.
- **Identify strategic community benefits**, including downtown revitalization, diversification of the local economy, expanded retail offerings, and alignment with Galveston's long-term economic development goals.
- **Provide an evidence-based tool for decision-makers**, to weigh the public value of the project, assess potential infrastructure or service needs, and consider incentive structures or partnerships that may be appropriate.

The Sachs on the Seawall Development represents one of the most significant mixed-use investments in Galveston's recent history, with an estimated total project cost of $540 million. Designed as a multi-phased project, the development integrates hospitality, residential, retail, and green space in a single, cohesive district that will serve both residents and visitors.

Phase I: Hotel, Condos, Retail, and Green Space

- **Hotel:** A 216-key Marriott Renaissance hotel, delivering a premier full-service lodging option that strengthens Galveston's tourism and convention market.
- **Condos:** Approximately 150 residential condominiums, offering modern living options that expand housing diversity and appeal to second-home buyers as well as full-time residents.
- **Commercial & Retail:** Roughly 70,000 square feet of commercial and retail space, envisioned for shops, restaurants, and services that will enhance the visitor experience and provide local economic opportunities.
- **Green Space:** About 4 acres of dedicated green space and nature preserve, ensuring a balance between development and environmental stewardship while creating a community gathering point.



Above: The proposed design for the Phase II apartments in context with the retail, hotel and condos

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Phase II: Residental Expansion

- **Apartments:** Approximately 236 multifamily apartment units, providing new long-term housing opportunities and contributing to Galveston's ability to attract and retain a diverse workforce. One quarter of the units will be dedicated to workforce housing and a quarter of the units will be reserved for J-1 Visa holders.

Sachs on the Seawall is located at the far west end of the Seawall in Galveston, Texas, a prime waterfront setting that represents both a gateway to the island's natural amenities and a transition point from urban resort areas to the island's residential west end. The site's position along the Gulf of Mexico provides direct access to Galveston's renowned beachfront while also linking seamlessly to the city's established visitor corridors.

Geographic Context

- **Seawall Boulevard:** As Galveston's most iconic thoroughfare, the Seawall serves as both a protective barrier and a focal point for hospitality, entertainment, and recreation. The project site at the west end provides an opportunity to expand this economic corridor with high-quality hotel, residential, and retail offerings.

- **Proximity to Attractions:** The development is minutes away from Galveston's downtown historic district, cruise terminal, Moody Gardens, Schlitterbahn Waterpark, and the Galveston Island Historic Pleasure Pier.

- **Natural Setting:** Positioned at the edge of developed Seawall frontage, the site offers property adjacent to open coastline and preserved green space, which enhances its appeal to both residents and visitors seeking a blend of urban amenities and natural beauty.

Economic Context

- **Tourism-Driven Economy:** Galveston welcomes more than 8 million visitors annually, driven by its beaches, cruise industry, cultural assets, and year-round events. The hospitality and tourism sector is a primary economic driver, and demand for lodging continues to grow alongside expanding cruise operations and convention traffic.

- **Residential & Workforce Needs:** Galveston faces growing demand for diverse housing types — from luxury condominiums and second homes to workforce apartments. The Sachs on the Seawall directly addresses this need by offering both ownership and rental options.

- **Retail & Dining Expansion:** Retail and dining establishments concentrated along the Seawall and downtown core benefit from both visitor spending and resident demand. Adding 70,000 square feet of new commercial space will strengthen the west end's retail mix and extend visitor activity further down the island.

Project Description:

Hotel Component:

At the core of Sachs on the Seawall is a 216-key Marriott Renaissance Hotel, which will introduce a premier, full-service hospitality brand to Galveston's west end of the Seawall. As part of Marriott's upper-upscale portfolio, the Renaissance brand is recognized for delivering high-quality accommodation, elevated service standards, and amenities that attract both leisure and business travelers.

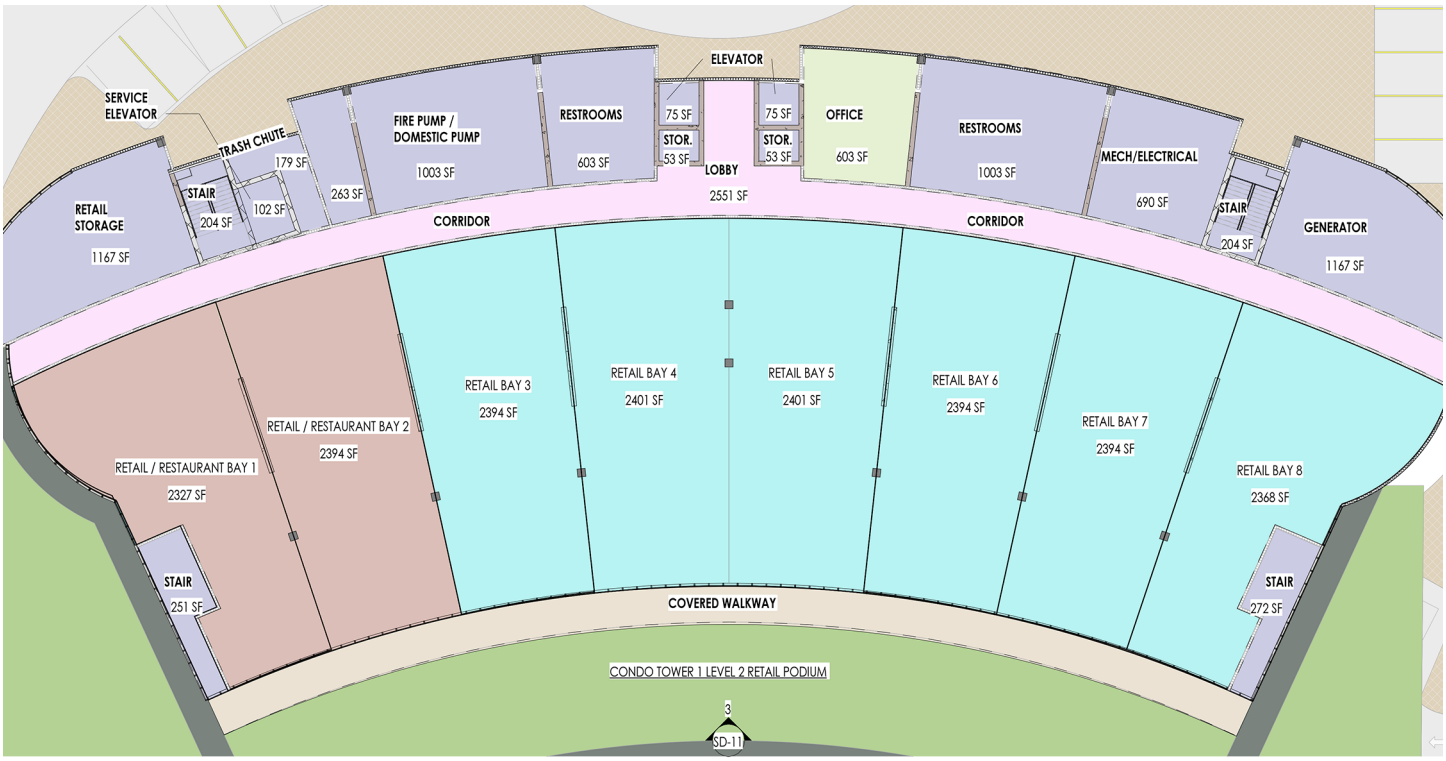
The hotel will feature:

Guest Accommodations: 216 well-appointed rooms and suites designed to serve a mix of vacationers, convention attendees, and cruise passengers.

Meeting & Event Facilities: Flexible conference and ballroom space to capture group, corporate, and event-related demand, complementing Galveston's convention and meetings market.

Food & Beverage Venues: On-site dining options, including a signature restaurant, bar/lounge, and event catering services.

Resort-Style Amenities: Outdoor pool and recreation areas, spa/fi tness facilities, and direct connectivity to adjacent retail, residential, and green space within the development.



Above: A floor plate plan for a 2nd floor retail level for a condo tower

Retail Component:

Sachs on the Seawall will include approximately 70,000 square feet of commercial and retail space, creating a dynamic mix of dining, shopping, and service-oriented tenants designed to serve both visitors and residents.

Key features of the retail program include:

- **Restaurant Anchors:** The project has secured commitments from La Madeleine French Bistro and Floyds Cajun Seafood & Steakhouse, two well-recognized dining concepts that bring culinary variety and destination appeal

- **Planned Dining Mix:** In total, five restaurant tenants are currently placed, ranging from casual to upscale, ensuring that both hotel guests and Galveston residents have access to a broad range of dining experiences

- **Complementary Retail & Services:** Additional commercial spaces are envisioned for boutique shops, specialty retailers, and service providers that will enhance the guest and resident experience while diversifying Galveston's retail offerings

- **Event & Conference Synergy:** The adjacent hotel ballroom and meeting space, located on the upper level of the Marriott Renaissance, will drive additional retail and dining traffic, particularly from large group events, conferences, and social gatherings hosted on-site

Methodology:

Data Sources:

This Economic Impact Assessment relies on a combination of national, regional, and local data sources to estimate the direct, indirect, and induced effects of Sachs on the Seawall. Key sources include:

JobsEQ by Chmura Economics & Analytics: Used for regional input-output modeling and economic multiplier analysis. JobsEQ derives its regional multipliers from the U.S. Bureau of Economic Analysis' Regional Input-Output Modeling System (RIMS II), ensuring a consistent and widely accepted methodology for capturing indirect and induced effects.

RIMS II (Regional Input-Output Modeling System): Published by the U.S. Bureau of Economic Analysis (BEA), RIMS II provides industry-specific multipliers that measure how changes in final demand affect regional output, earnings, and employment.

Bureau of Economic Analysis (BEA): Source for national and regional economic data, including industry accounts and personal income measures.

U.S. Census Bureau / American Community Survey (ACS): Provides demographic and housing data relevant to workforce availability and housing demand.

Local Tax Data: City of Galveston and Galveston County property tax rates, sales tax rates, hotel occupancy tax (HOT) collections, and other applicable local revenue streams.

Texas Comptroller of Public Accounts: Statewide sales tax collections and economic activity data.

Tourism & Hospitality Data: Visitor counts, hotel occupancy rates, and average daily spending patterns from the Galveston Convention & Visitors Bureau and other regional tourism reports.

Analytical Framework

The economic impact analysis for Sachs on the Seawall is structured around three categories of impact: direct, indirect, and induced. This framework provides a comprehensive measure of how initial project spending and operations ripple through the local and regional economy.

- **Direct Impacts**
  - Represent the immediate economic activity generated by the project
  - Include construction spending, wages for workers, hotel operations (room sales, food & beverage, events), retail sales, and direct employment tied to the development

- **Indirect Impacts**
  - Capture the supply chain effects created when businesses supporting the development purchase goods and services from other local or regional firms
  - Examples include construction subcontractors sourcing materials, hotels purchasing food and linen services, or retailers contracting with local logistics providers

- **Induced Impacts**
  - Reflect the additional economic activity generated when employees of the project and its suppliers spend their wages within the community
  - This includes spending on housing, groceries, dining, healthcare, and entertainment, which further supports local jobs and revenues

Assumptions

To account for uncertainty and variability in future market conditions, this analysis applies a scenario-based approach with low, medium, and high variants across key assumptions. This structure allows decision-makers to evaluate a range of potential outcomes and better understand both risks and opportunities associated with Sachs on the Seawall.

- **Regional Multipliers**
  - Variants are based on the range of regional multipliers available in JobsEQ (RIMS II–based), with low scenarios applying conservative coefficients and high scenarios applying upper-range multipliers

- **Seasonal Variability**
  - Given Galveston's seasonal tourism economy, assumptions reflect fluctuations in hotel occupancy, retail spending, and visitor demand
  - Low variant: short peak season, muted off-season demand
  - High variant: extended peak season with strong off-season visitation

- **Job Creation and Retention**
  - Employment impacts are modeled using construction job-years, hotel full-time equivalents (FTEs), and retail staffing
  - Variants reflect differences in staffing intensity, turnover, and retention rates

- **Hotel Revenue**
  - Assumptions incorporate occupancy rates, average daily rate (ADR), and revenue per available room (RevPAR) benchmarks.Variants reflect differences in staffing intensity, turnover, and retention rates.
  - Low variant: conservative occupancy and ADR
  - High variant: stronger-than-average occupancy and premium ADR performance consistent with upscale markets

- **Residential Rent & Sales**
  - Rental apartments and condominium sales are modeled using varying assumptions for absorption, rental rates, and price per square foot
  - Low variant assumes slower absorption and below-market rents; high variant assumes rapid lease-up and premium pricing reflective of waterfront demand

Limitations and Sensitivities

While this assessment is designed to provide a robust estimate of the economic and fiscal impacts associated with Sachs on the Seawall, several limitations and sensitivities should be acknowledged:

1. Modeling Dependence on Multipliers

- Regional economic multipliers (JobsEQ/RIMS II) provide estimates of indirect and induced effects but may not fully capture unique aspects of Galveston Island's economy, such as leakage of spending to the mainland
- Results are sensitive to multiplier selection; conservative, moderate, and aggressive variants are applied to address this uncertainty

2. Seasonality of Tourism

- Galveston's hospitality and retail markets are heavily influenced by seasonal demand. A strong summer season or expanded off-season events could increase impacts, while adverse weather or economic downturns could reduce them

3. Hotel Performance Variability

- Projections of hotel revenues, occupancy, and ADR (Average Daily Rate) are based on current and historical benchmarks. Actual performance will depend on market competition, broader tourism trends, and the success of Galveston in capturing convention and group business

4. Residential Market Conditions

- Condominium sales and apartment lease-up rates are subject to fluctuations in interest rates, housing market conditions, and second-home demand. Slower-than-expected absorption could delay or reduce projected impacts

5. Retail Tenant Mix and Performance

- Retail outcomes depend on the quality and stability of tenant leasing. Securing anchor restaurants (e.g. La Madeleine, Floyds Cajun) mitigates some risk, but retail performance is sensitive to consumer spending trends and tenant turnover

6. Infrastructure and Public Costs

- Fiscal benefits assume sufficient infrastructure capacity (utilities, roads, public safety). If significant public investments are required, net fiscal impacts could be reduced

7. External Shocks

- Events such as hurricanes, economic recessions, pandemics, or changes in travel behavior represent risks that could significantly alter outcomes
- Given Galveston's coastal location, storm events present a heightened sensitivity that could disrupt both construction timelines and long-term operations

8. Incentives and Policy Decisions

- The analysis assumes current tax structures. Any future changes to property tax rates, hotel occupancy tax policy, or incentive packages may affect fiscal outcomes

Construction Phase Impacts:

Direct Impacts

Employment: Approximately **350 construction jobs** will be supported over the multi-year buildout. These positions include general contractors, skilled trades (electricians, plumbers, masons, carpenters), and professional services such as architects and engineers. In industry-standard terms, this is equivalent to 350 job-years, meaning 350 full-time jobs sustained for one year. If construction spans multiple years, total workforce participation may be higher due to turnover and contract cycling.

Wages & Labor Income: Based on typical regional wage levels in construction and skilled trades, these jobs are expected to generate **$20–$25 million in annual payroll** during peak years, contributing directly to household income in the Galveston region.

Spending on Materials & Services: A significant share of the $540 million investment will flow into building materials, site preparation, and contracted services. While some specialized materials may be sourced outside the region, a substantial portion of expenditures will benefit local and regional suppliers.

Professional Services: Architectural, engineering, legal, and financial services tied to project planning and execution are part of the direct economic footprint, adding to professional employment and revenue in the region.

Indirect Impacts

In addition to the on-site workforce and capital investment, Sachs on the Seawall will stimulate significant supply-chain activity across Galveston and the surrounding region. Construction contractors and developers will purchase materials, equipment, and services from a broad range of industries, including building materials suppliers, engineering and architectural firms, trucking and logistics providers, and specialized subcontractors.

Using regional multipliers from RIMS II, the project is estimated to generate approximately $220 million in indirect output during the construction period, supporting an additional 280 jobs in supplier industries. These jobs are expected to produce $16–18 million in labor income, reinforcing the importance of local and regional firms that provide the backbone of the construction industry.

Induced Impacts

Beyond the direct and supply-chain effects, the wages earned by construction workers and supplier employees will circulate back into the Galveston economy through everyday household spending. Workers employed directly on the project — as well as those in supplier industries — will spend a portion of their earnings on housing, groceries, restaurants, healthcare, and other goods and services within the local market.

These induced effects are projected to contribute an additional $108 million in output, sustaining 150–170 jobs in consumer-facing sectors such as retail, food service, real estate, and healthcare. Induced labor income is estimated at $8–10 million, underscoring the ripple effect that construction wages have on local businesses and community vitality.

Total Construction Phase Impact

The construction of Sachs on the Seawall which encompasses approximately 1.5 million gross square feet of new hotel, residential, retail, and green space represents an estimated $540 million private investment. The economic benefits of this construction activity extend well beyond the project site, generating employment and output across multiple sectors of the regional economy.

Aggregate Impacts

- Total Economic Output: ≈ $868 million
  - Direct: $540 million
  - Indirect: $220 million
  - Induced: $108 million
- Total Jobs Supported: ≈ 780 jobs
  - Direct: 350 jobs
  - Indirect: 280 jobs
  - Induced: 150 jobs
- Total Labor Income: ≈ $56–60 million
  - Direct: $32 million (on-site construction payroll)
  - Indirect: $16–18 million (supply-chain industries)
  - Induced: $8–10 million (household spending impacts

Operational Phase Impacts:

Hotel Operations and Condominium Leases:

Hotel Room Revenue Estimates

ADR (Average Daily Rate)	50% Occ.	60% Occ.	70% Occ.	80% Occ.
$300	$11,534,400	$14,191,200	$16,556,400	$18,455,040
$325	$12,495,600	$15,373,800	$17,936,100	$19,992,960
$350	$13,456,800	$16,556,400	$19,315,800	$21,530,880
$400	$15,379,200	$18,921,600	$22,075,200	$24,606,720
$425	$16,340,400	$20,104,200	$23,454,900	$26,144,640

Hotel room revenue estimates do not assume seasonal variability in occupancy. These data assume a year-round occupancy level at a constant rate.

Visitor Spending Per Guest (On Island)

Occupancy Rate	Occupied Room-Nights	Total Visitor Spending
50%	78,840 × 0.50 = 39,420	39,420 × 268 = $10.60M
55%	78,840 × 0.55 = 43,362	43,362 × 268 = $11.60M
60%	78,840 × 0.60 = 47,304	47,304 × 268 = $12.70M
65%	78,840 × 0.65 = 51,246	51,246 × 268 = $13.75M
70%	78,840 × 0.70 = 55,188	55,188 × 268 = $14.80M
75%	78,840 × 0.75 = 59,130	59,130 × 268 = $15.85M
80%	78,840 × 0.80 = 63,072	63,072 × 268 = $16.90M
85%	78,840 × 0.85 = 67,014	67,014 × 268 = $17.95M
90%	78,840 × 0.90 = 70,956	70,956 × 268 = $19.00M

Assuming the Galveston Park Board estimate for $268 for overnight visitors, totalvisitor spending through this hotel would bring between ~ $15.85-19.01 million.

Phase 1 — 150 Condominiums Value

Occupancy	Sold SF	$225/sf	$250/sf	$275/sf	$300/sf
80%	113,699	$25,582,275	$28,424,750	$31,267,225	$34,109,700
85%	120,805	$27,181,125	$30,201,250	$33,221,375	$36,241,500
90%	128,000	$28,800,000	$32,000,000	$35,200,000	$38,400,000
95%	135,018	$30,379,050	$33,754,500	$37,129,950	$40,505,400
100%	142,124	$31,977,900	$35,531,000	$39,084,100	$42,637,200

Phase 2 — 236 Condos/Apartments Value

Occupancy	Sold SF	$225/sf	$250/sf	$275/sf	$300/sf
80%	120,898	$27,202,050	$30,224,500	$33,246,950	$36,269,400
85%	128,454	$28,902,150	$32,113,500	$35,324,850	$38,536,200
90%	136,010	$30,602,250	$34,002,500	$37,402,750	$40,803,000
95%	143,566	$32,302,350	$35,891,500	$39,480,650	$43,069,800
100%	151,122	$34,002,450	$37,780,500	$41,558,550	$45,336,600

Sales projections for the proposed condominium developments have been modeled based on total square footage, occupancy levels, and a range of price points reflecting local market conditions. For the 151,122-sf project, total sales revenue ranges from approximately $30.2 million to $71.8 million, depending on the achieved price per square foot ($250–$475) and absorption rate (80–100%). The 142,124-sf development similarly generates projected revenues between $28.4 million and $67.5 million under comparable assumptions.

These matrices illustrate the sensitivity of total revenue to both market pricing and sales absorption, highlighting the strong revenue potential even under conservative sales scenarios. The structured analysis demonstrates how incremental changes in occupancy or price per square foot materially affect overall project revenue, providing a clear framework for financial planning and market strategy.

Workforce Housing Estimates:

Decile	Per-capita income	Max monthly rent per unit	Max annual rent per unit	Total monthly (59 units)	Total annual (59 units)
40th	$33,901	$941.69	$11,300.33	$55,559.97	$666,719.67
50th (median)	$39,883	$1,107.86	$13,294.33	$65,363.81	$784,365.67
60th	$47,860	$1,329.44	$15,953.33	$78,437.22	$941,246.67
70th	$55,836	$1,551.00	$18,612.00	$91,509.00	$1,098,108.00
80th	$63,813	$1,772.58	$21,271.00	$104,582.42	$1,254,989.00

(All dollar figures rounded to cents per-unit/monthly and to nearest cent for totals; totals computed as per-unit × 59.)

J-1 Housing Estimates:

Occupancy	Occupied Units	Monthly Revenue	Annual Revenue
80%	47	$75,200	$902,400
85%	50	$80,000	$960,000
90%	53	$84,800	$1,017,600
95%	56	$89,600	$1,075,200
100%	59	$94,400	$1,132,800

Development of the Sachs on the Seawall includes dedicated accommodation for J-1 Visa participants (25%) of total units and workforce housing (25%) of total units for a combined 50% of total units. These visa recipients represent a vital seasonal and cultural component of Galveston's hospitality workforce. The J-1 program allows international university students to work temporarily in the United States, filling essential service roles in hotels, restaurants, and tourism operations during peak seasons. Phases I and II include 118 units for J-1 visa holders, and workforce housing. J-1 visa holders have a standard housing price of $400 per person, and a standard housing arrangement of 4 persons per apartment representing $1,600 dollars per unit per month.

By providing purpose-built housing options for these workers, the development enhances operational reliability, reduces transportation challenges, and supports a more inclusive and diverse workforce ecosystem. This investment not only helps local employers address seasonal labor shortages but also fosters cross-cultural exchange that enriches the visitor experience and strengthens Galveston's reputation as a globally engaged destination.

Estimate: Employment for 216-Room Full-Service Hotel

Key Factors Affecting Staffing

Some of the things that will effect how many employees are needed:

- Number of food and beverage outlets (restaurants, bars, room service)
- Size and activity of meeting / ballroom / conference space
- Guest services offered (concierge, bell staff, valet, spa)
- Level of service (luxury, upscale, full service)
- Occupancy rates, and seasonal vs year-round operations
- Galveston presents a median salary for hotel services at ~30,900

Industry Benchmarks

- Full-service hotels generally have higher staffing ratios than limited or select-service properties. Staffing ratios (employees per room) for full-service hotels often fall in the range of 1.0 to 2.0 employees per room, depending especially on amenities and F&B operation. (More luxurious hotels might exceed this.)
- For example, benchmarks for service levels suggest that in full-service hotels, housekeeping tends to require about 1 attendant per ~12-16 rooms.
- Labor cost per occupied room (CPOR) for full-service hotels is higher, in part due to more staff per room.

Estimate for 216 Rooms in Galveston

Using the benchmarks above and assuming Sachs on the Seawall hotel is a full-service Marriott Renaissance with restaurant(s), ballroom / meeting space plausible staffing scenarios could include:

Scenario	Employees per Room	Estimated Total Employees
Conservative / minimal service (basic full-service, modest restaurants, limited meeting space)	~1.1-1.3	**≈ 240-280 employees**
Moderate service (multiple F&B outlets, robust meeting/ballroom use, guest services)	~1.4-1.6	**≈ 300-350 employees**
High service / luxury full-service (multiple restaurants, high volume of events, extensive guest amenities)	~1.7-2.0	**≈ 365-430 employees**

Hotel Operations Employment Impact (Annual)

Employment Scenarios

Scenario	Estimated Jobs	Annual Wages per Job (mean)	Total Annual Payroll Impact
Low Service (Conservative)	~240 employees	$30,900	**$7.4 million**
Moderate Service (Recommended)	~325 employees	$30,900	**$10.0 million**
High Service (Luxury Full-Service)	~400 employees	$30,900	**$12.4 million**

Retail Operations:

Industry Benchmarks

- **Restaurants (Full-Service & Fast Casual):** Typically 1 employee per 150–250 SF. Labor intensity depends on whether they are full-service sit-down (higher staffing) or fast casual.
- **General Retail (shops, boutiques, services):** Typically 1 employee per 500–650 SF
- **Average Retail/Restaurant Wage in Galveston County:** ≈ $28,000–$32,000 annually (using JobsEQ and BLS data).

Space Allocation Assumptions

Assuming a 50/50 mix of restaurant and general retail/service space allocation:

- **50% Restaurant Use:** ~35,000 SF (≈ 5 restaurants total, including La Madeleine & Floyds).
- **50% General Retail/Service:** ~35,000 SF.

Employment Estimates

Restaurants (~30,000 SF): At 1 job per ~200 SF ≈150 employees

Retail (~40,000 SF): At 1 job per ~600 SF ≈67 employees

Total Retail Employment: ≈217 employees

Wage/Payroll Impacts

Using mean wage of $30,900 per year:

- **Low Estimate (200 jobs): ≈ $6.18M payroll**
- **Moderate Estimate (235 jobs): ≈ $7.26M payroll**
- **High Estimate (260 jobs): ≈ $8.03M payroll**

Spillover Effects:

The $15.9–$19.0 million in annual direct visitor spending generated by the hotel does not stop at the point of purchase. Instead, it ripples through the regional economy via indirect and induced effects, commonly measured through local multipliers (IMPLAN / RIMS II). For hospitality and tourism in Galveston, conservative multipliers typically range between 1.4 and 1.7.

Indirect Effects (supply-chain): Restaurants and retailers within the development and across Galveston will purchase goods and services (e.g., food from distributors, laundry services, local maintenance contractors).

Induced Effects (household spending): Hotel, restaurant, and retail employees will spend their wages on housing, groceries, transportation, and local services.

Thus, every $1 in visitor spending generates an additional $0.40–$0.70 in local economic activity.

At full operation, the hotel's visitor spending could contribute $22M–$32M annually in total economic output for Galveston, depending on occupancy levels and the strength of multiplier effects.

Using a range of multipliers to account for low, medium, and high assumptions:

Occupancy Rate	Direct Spending	1.4 Multiplier (Low)	1.55 Multiplier (Moderate)	1.7 Multiplier (High)
50%	$10.60M	$14.85M	$16.45M	$18.00M
55%	$11.60M	$16.25M	$18.00M	$19.70M
60%	$12.70M	$17.80M	$19.70M	$21.60M
65%	$13.75M	$19.25M	$21.30M	$23.40M
70%	$14.80M	$20.70M	$23.00M	$25.20M
75%	$15.85M	$22.2M	$24.6M	$26.9M
80%	$16.90M	$23.7M	$26.2M	$28.7M
85%	$17.95M	$25.1M	$27.8M	$30.5M
90%	$19.01M	$26.6M	$29.5M	$32.3M

Fiscal Impacts:

Tax Collections

Avg Sales per SF	Total Annual Sales	Sales Tax Revenue (8.25%)
$200	$14,000,000	$1,155,000
$250	$17,500,000	$1,443,750
$300	$21,000,000	$1,732,500
$350	$24,500,000	$2,021,250
$400	$28,000,000	$2,310,000

Category	Estimated Annual Payment
Property Taxes	$8,316,000
Hotel Occupancy Tax (HOT)	$1,500,500*
Total Estimated Payments	**$9,816,500**

*Hotel Occupancy Tax Estimates assume 50% occupancy

Other Local Taxes & Fees: Food and Beverage Taxes, as well as parking fees will provide additional revenue.

Fiscal Impact Estimates

Category	Low	Medium	High
Restaurant Sales (35K SF)	**$14.0M**	**$17.5M**	**$21.0M**
Alcohol Sales (25%)	**$3.5M**	**$4.4M**	**$5.3M**
Alcohol Tax @6.7%	**$235K**	**$295K**	**$355K**
General Sales Tax @8.25% (all sales)	**$1.16M**	**$1.44M**	**$1.73M**
Parking Fees	**$120K**	**$250K**	**$350K**
Total Fiscal Revenues	**$1.52M**	**$1.99M**	**$2.44M**

Community & Strategic Impacts

Employment Opportunities and Workforce Development
Sachs on the Seawall will create a substantial number of permanent jobs across hospitality, retail, and support services, in addition to the hundreds of construction jobs during build-out. This growth provides opportunities for local workforce development initiatives, particularly in culinary arts, hotel management, event planning, and skilled trades. Partnerships with Galveston College, Texas A&M University–Galveston, and regional workforce boards could ensure residents are prepared to access these positions, aligning job creation with long-term talent pipeline development.

Tourism Positioning and Brand Enhancement
A full-service Marriott Renaissance, coupled with a curated retail and restaurant mix, will enhance Galveston's tourism brand as both a leisure and meetings destination. The ballroom and conference facilities expand Galveston's ability to attract group travel and business conferences, which typically generate higher per-capita visitor spending. The addition of recognizable restaurant anchors alongside local operators strengthens the city's culinary appeal, while the integration of green space reinforces Galveston's positioning as a destination where natural beauty and high-quality amenities coexist.

Potential Displacement, Congestion, or Housing Pressures
While the project will boost economic activity, it may also contribute to localized challenges. Increased traffic at the western end of the Seawall could strain road capacity and parking, particularly during peak tourist seasons. Rising property values and demand for seasonal housing associated with the development may exert upward pressure on rental markets and contribute to displacement risks for lower-income residents in surrounding areas. These impacts highlight the importance of proactive planning for transportation infrastructure, affordable housing, and public access to the waterfront.

Environmental and Sustainability Considerations
The inclusion of four acres of green space and a nature preserve is a positive environmental feature that enhances community amenities and mitigates some development impacts. However, large-scale coastal development must consider flood risk, storm surge vulnerability, and long-term climate resilience. Incorporating sustainable building practices, resilient infrastructure design, and stormwater management systems will be critical to reducing environmental impacts. The project also presents an opportunity to highlight Galveston as a leader in sustainable coastal development, balancing economic growth with environmental stewardship.

Conclusion and Recommendations

Summary of Total Economic, Fiscal, and Community Benefits

Sachs on the Seawall is projected to generate substantial economic returns for Galveston through direct construction investment of approximately $540 million, significant job creation in both construction and long-term hospitality/retail operations and expanded visitor spending tied to high hotel occupancy and quality restaurant offerings. Fiscal benefits include increased property tax revenues, sales and alcohol tax collections, and parking-related income. Community benefits extend beyond financial returns, supporting workforce development, enhancing Galveston's tourism brand, and delivering new public amenities such as green space and conference facilities that expand the city's appeal for both leisure and business travelers.

Risks and Mitigation Strategies

Key risks include seasonal variability in hotel occupancy, potential congestion and infrastructure strain, and housing market pressures stemming from rising property values. Environmental risks tied to coastal storm exposure and long-term resilience also remain important. These risks can be mitigated by:

- Developing a transportation and parking management plan to ease congestion.
- Coordinating with housing and community development partners to address potential displacement.
- Implementing resilient building standards and flood mitigation measures.
- Leveraging public-private workforce partnerships to ensure local residents can capture employment opportunities.

Recommendations:

1. Infrastructure Investments: Upgrade roadways, signage, and multimodal access near the development; ensure drainage and flood mitigation measures are sufficient for long-term resilience.

2. Workforce Training: Expand hospitality, culinary, and construction-related training programs through Galveston College and workforce boards to strengthen the local labor pipeline.

3. Tourism Integration: Incorporate the development into broader Galveston branding, positioning it as a driver of high-value group travel and a complement to existing attractions.

Above: Overall view of Sachs on the Seawall with Phase I in the foreground and Phase II behind

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