Project Forest - Impact Report

Tier 3

Project Type: New/Startup
Industry: Transportation and Warehousing
Prepared By: Charlotte County Economic Development Office

Purpose & Limitations

This report presents the results of an economic and fiscal analysis undertaken by Charlotte County Economic Development Office using Impact DashBoard, a customized web application developed by Impact DataSource, LLC.

Impact DashBoard utilizes estimates, assumptions, and other information developed by Impact DataSource from its independent research effort detailed in a custom user guide prepared for Charlotte County Economic Development Office.

This report, generated by the Impact DashBoard application, has been prepared by Charlotte County Economic Development Office to assist economic development stakeholders in making an evaluation of the economic and fiscal impact of business activity in the community. This report does not purport to contain all of the information that may be needed to conclude such an evaluation. This report is based on a variety of assumptions and contains forward-looking statements concerning the results of operations of the subject firm. Charlotte County Economic Development Office made reasonable efforts to ensure that the project-specific data entered into Impact DashBoard reflects realistic estimates of future activity. Estimates of future activity involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied in this report.

Charlotte County Economic Development Office and Impact DataSource make no representation or warranty as to the accuracy or completeness of the information contained herein, and expressly disclaim any and all liability based on or relating to any information contained in, or errors or omissions from, this information or based on or relating to the use of this information.

Introduction

This report presents the results of an economic impact analysis performed using Impact DashBoard, a model developed by Impact DataSource. The report estimates the impact that a potential project will have on the local economy and estimates the costs and benefits for local taxing districts over a 10-year period.

Economic Impact Overview

The table below summarizes the economic impact of the project over the first 10 years in terms of job creation, salaries paid to workers, and taxable sales.

SUMMARY OF ECONOMIC IMPACT OVER 10 YEARS IN CHARLOTTE COUNTY

IMPACT	DIRECT	SPIN-OFF	TOTAL
Jobs	40.0	21.7	**61.7**
Annual Salaries/Wages	$2,579,200	$982,159	**$3,561,359**
Salaries/Wages over 10 Years	$28,241,520	$10,754,371	**$38,995,891**
Taxable Sales/Purchases in Charlotte County	$10,977,171	$1,209,867	**$12,187,038**

Totals may not sum due to rounding

The Project may result in new residents moving to the community and potentially new residential properties being constructed as summarized below.

SUMMARY OF POPULATION IMPACT OVER 10 YEARS IN CHARLOTTE COUNTY			
IMPACT	DIRECT	SPIN-OFF	TOTAL
Workers who will move to Charlotte County	32.0	2.9	**34.9**
New residents in Charlotte County	83.2	7.6	**90.8**
New residential properties constructed in Charlotte County	3.2	0.3	**3.5**
New students to attend local school district	16.0	1.5	**17.5**

Totals may not sum due to rounding

The new taxable property to be supported by the Project over the next 10 years is summarized in the following table.

SUMMARY OF TAXABLE PROPERTY OVER THE FIRST 10 YEARS IN CHARLOTTE COUNTY						
YR.	NEW RESIDENTIAL PROPERTY	LAND	BUILDINGS...	FF&E	NON-RESIDENTIAL PROPERTY	TOTAL PROPERTY
2025	$682,459	$0	$24,000,000	$1,000,000	*$25,000,000*	**$25,682,459**
2026	$696,108	$0	$24,480,000	$900,000	*$25,380,000*	**$26,076,108**
2027	$710,030	$0	$24,969,600	$800,000	*$25,769,600*	**$26,479,630**
2028	$724,231	$0	$25,468,992	$700,000	*$26,168,992*	**$26,893,223**
2029	$738,716	$0	$25,978,372	$600,000	*$26,578,372*	**$27,317,088**
2030	$753,490	$0	$26,497,939	$500,000	*$26,997,939*	**$27,751,429**
2031	$768,560	$0	$27,027,898	$400,000	*$27,427,898*	**$28,196,458**
2032	$783,931	$0	$27,568,456	$300,000	*$27,868,456*	**$28,652,387**
2033	$799,610	$0	$28,119,825	$200,000	*$28,319,825*	**$29,119,435**
2034	$815,602	$0	$28,682,222	$200,000	*$28,882,222*	**$29,697,823**

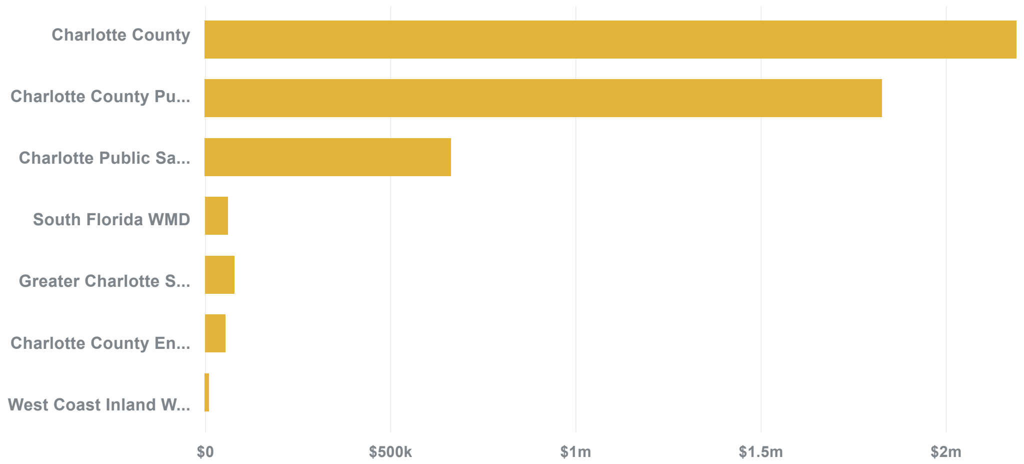
Fiscal Impact Overview

The Project will generate additional benefits and costs, a summary of which is provided below. The source of specific benefits and costs are provided in greater detail for each taxing district on subsequent pages.

FISCAL NET BENEFITS OVER THE NEXT 10 YEARS					
	BENEFITS	COSTS	INCENTIVES	NET BENEFITS LESS INCENTIVES	PRESENT VALUE*
Charlotte County	$3,959,091	($1,031,510)	($736,000)	$2,191,581	$1,755,802
Charlotte County Public Schools	$2,451,114	($623,365)	$0	$1,827,748	$1,402,282
Charlotte Public Safety Unit	$664,736	$0	$0	$664,736	$510,020
South Florida WMD	$62,090	$0	$0	$62,090	$47,640
Greater Charlotte Street Lighting District	$79,583	$0	$0	$79,583	$61,061
Charlotte County Environmental Lands	$55,173	$0	$0	$55,173	$42,331
West Coast Inland Water District	$10,869	$0	$0	$10,869	$8,339
Total	**$7,282,655**	**($1,654,876)**	**($736,000)**	**$4,891,780**	**$3,827,476**

*The Present Value of Net Benefits expresses the future stream of net benefits received over several years as a single value in today's dollars. Today's dollar and a dollar to be received at differing times in the future are not comparable because of the time value of money. The time value of money is the interest rate or each taxing entity's discount rate. This analysis uses a discount rate of 5.0% to make the dollars comparable.

Net Benefits Less Incentives Over the Next 10 Years



Public Support Overview

A summary of the total Public Support modeled in this analysis is shown below.

VALUE OF PUBLIC SUPPORT UNDER CONSIDERATION		
	NON-TAX INCENTIVE	TOTAL
Charlotte County	$736,000	$736,000
Charlotte County Public Schools	$0	$0
Charlotte Public Safety Unit	$0	$0
South Florida WMD	$0	$0
Greater Charlotte Street Lighting District	$0	$0
Charlotte County Environmental Lands	$0	$0
West Coast Inland Water District	$0	$0
Total	**$736,000**	**$736,000**

Charlotte County Fiscal Impact

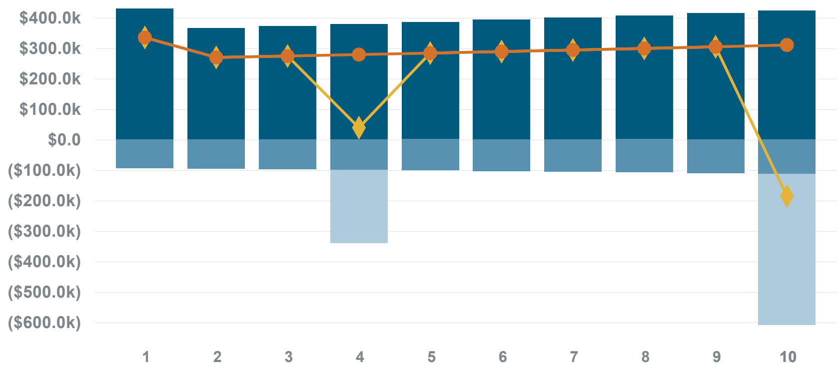
The table below displays the estimated additional benefits, costs, and net benefits to be received by Charlotte County over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: CHARLOTTE COUNTY			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Sales Taxes	$69,966	$39,352	$109,318
Real Property Taxes	$1,621,093	$0	$1,621,093
FF&E Property Taxes	$34,545	$0	$34,545
New Residential Property Taxes	$0	$46,097	$46,097
Tourist Development Taxes	$0	$0	$0
Building Permits and Fees	$0	$0	$0
Impact Fees	$0	$0	$0
Capital grants and contributions	$134,901	$157,562	$292,463
Other taxes	$41,171	$47,804	$88,975
Operating grants and contributions	$106,431	$124,291	$230,722
Gasoline taxes	$8,760	$39,773	$48,533
Charges for services	$646,034	$754,157	$1,400,191
Miscellaneous	$32,849	$38,243	$71,092
State Shared Revenue	$0	$16,062	$16,062
Benefits Subtotal	**$2,695,749**	**$1,263,342**	**$3,959,091**
COSTS	PROJECT	HOUSEHOLDS	TOTAL
General government	($96,796)	($113,200)	($209,996)
Physical Environment	($48,179)	($56,218)	($104,396)
Public Safety	($237,828)	($277,646)	($515,474)
Economic Environment	($16,206)	($3,442)	($19,647)
Transportation	($84,094)	($97,903)	($181,997)
Costs Subtotal	**($483,102)**	**($548,409)**	**($1,031,510)**
Net Benefits	**$2,212,647**	**$714,933**	**$2,927,581**
INCENTIVES	PROJECT	HOUSEHOLDS	TOTAL
Non-Tax Incentive	($736,000)	$0	($736,000)
Incentives Subtotal	**($736,000)**	**$0**	**($736,000)**
Net Benefits Less Incentives	**$1,476,647**	**$714,933**	**$2,191,581**

Annual Fiscal Net Benefits for Charlotte County

BENEFITS	COSTS	INCENTIVES
$3,959,091	($1,031,510)	($736,000)

NET BENEFITS	NET BENEFITS LESS INCENTIVES
$2,927,581	$2,191,581



Charlotte County Public Support

Total Incentives

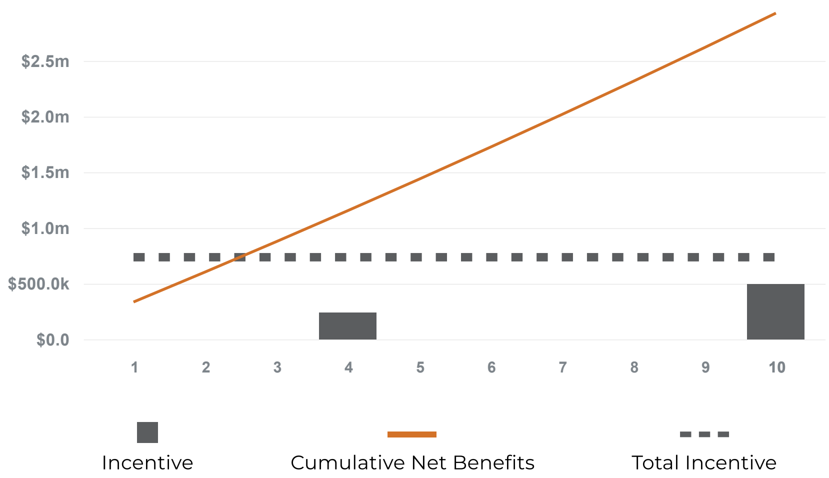
Charlotte County is considering the following incentives for the Project.

INCENTIVES UNDER CONSIDERATION		
YEAR	NON-TAX INCENTIVE	TOTAL
1	$0	$0
2	$0	$0
3	$0	$0
4	$240,000	$240,000
5	$0	$0
6	$0	$0
7	$0	$0
8	$0	$0
9	$0	$0
10	$496,000	$496,000
Total	**$736,000**	**$736,000**

The graph below depicts the total incentives currently under consideration versus the cumulative net benefits to Charlotte County. The intersection indicates the length of time until the incentives are paid back.

Total Incentive vs. Net Benefits for Charlotte County

$736,000	$18,400	39.8%	2.5 Yrs
Total Incentive	Per Job	Rate of Return	Payback Period



Non-Tax Incentives

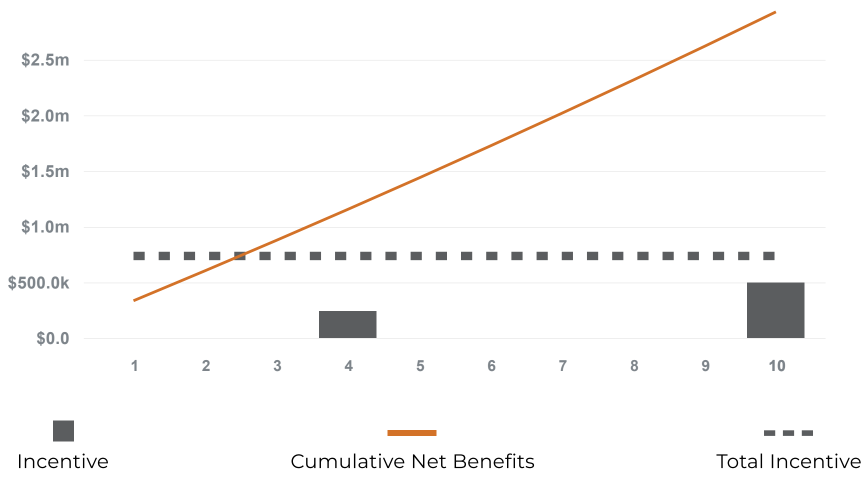
Charlotte County is considering the following non-tax incentives for the Project.

NON-TAX INCENTIVES UNDER CONSIDERATION	
YEAR	NON-TAX INCENTIVE
1	$0
2	$0
3	$0
4	$240,000
5	$0
6	$0
7	$0
8	$0
9	$0
10	$496,000
Total	**$736,000**

The graph below depicts the non-tax incentives modeled in this analysis versus the cumulative net benefits to Charlotte County. The intersection indicates the length of time until the incentives are paid back.

Non-Tax Incentive vs. Net Benefits for Charlotte County

$736,000	**$18,400**	**39.8%**	**2.5 Yrs**
Non-Tax Incentive	Per Job	Rate of Return	Payback Period

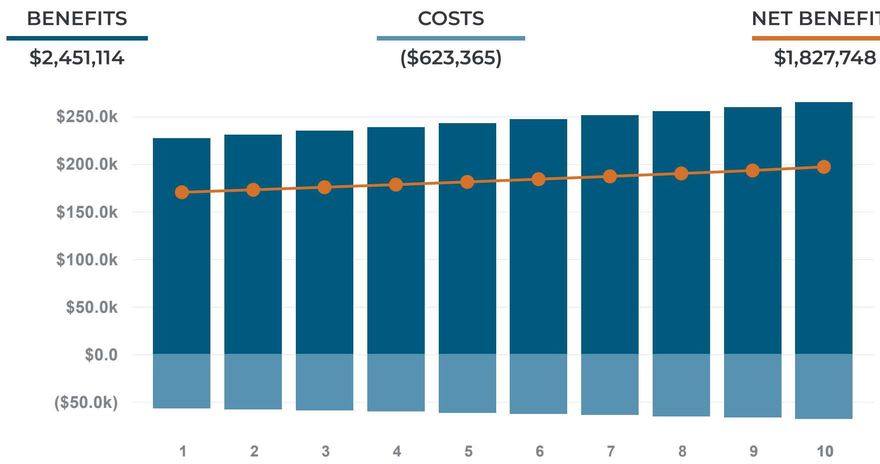


Charlotte County Public Schools Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Charlotte County Public Schools over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: CHARLOTTE COUNTY PUBLIC SCHOOLS			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	$1,701,061	$0	$1,701,061
FF&E Property Taxes	$36,249	$0	$36,249
New Residential Property Taxes	$0	$48,371	$48,371
Addtl. State & Federal School Funding	$0	$665,433	$665,433
Benefits Subtotal	**$1,737,310**	**$713,804**	**$2,451,114**
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost to Educate New Students	$0	($623,365)	($623,365)
Costs Subtotal	**$0**	**($623,365)**	**($623,365)**
Net Benefits	**$1,737,310**	**$90,439**	**$1,827,748**

Annual Fiscal Net Benefits for Charlotte County Public Schools

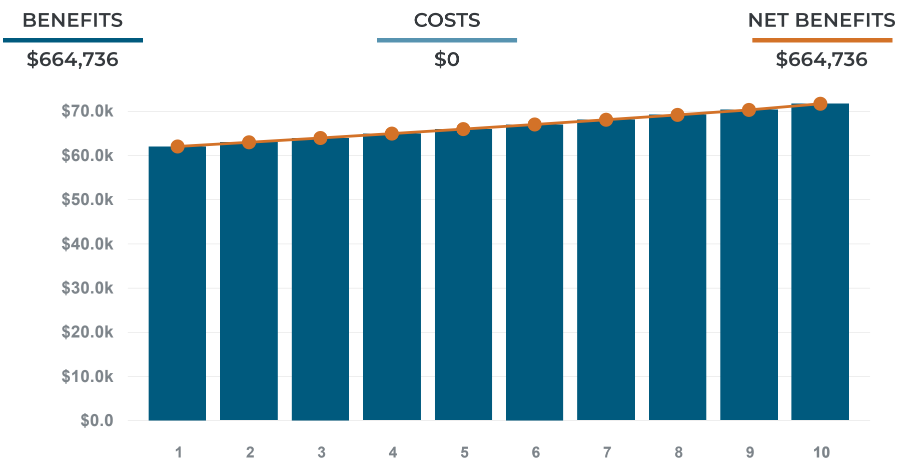


Charlotte Public Safety Unit Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Charlotte Public Safety Unit over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: CHARLOTTE PUBLIC SAFETY UNIT			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	$636,801	$0	$636,801
FF&E Property Taxes	$13,570	$0	$13,570
New Residential Property Taxes	$0	$14,365	$14,365
Benefits Subtotal	**$650,371**	**$14,365**	**$664,736**
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	$0	$0	$0
Costs Subtotal	**$0**	**$0**	**$0**
Net Benefits	**$650,371**	**$14,365**	**$664,736**

Annual Fiscal Net Benefits for Charlotte Public Safety Unit



South Florida WMD Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by South Florida WMD over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: SOUTH FLORIDA WMD			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	$60,469	$0	$60,469
FF&E Property Taxes	$1,289	$0	$1,289
New Residential Property Taxes	$0	$332	$332
Benefits Subtotal	**$61,757**	**$332**	**$62,090**
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	$0	$0	$0
Costs Subtotal	**$0**	**$0**	**$0**
Net Benefits	**$61,757**	**$332**	**$62,090**

Annual Fiscal Net Benefits for South Florida WMD

Greater Charlotte Street Lighting District Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Greater Charlotte Street Lighting District over the next 10 years of the Project.

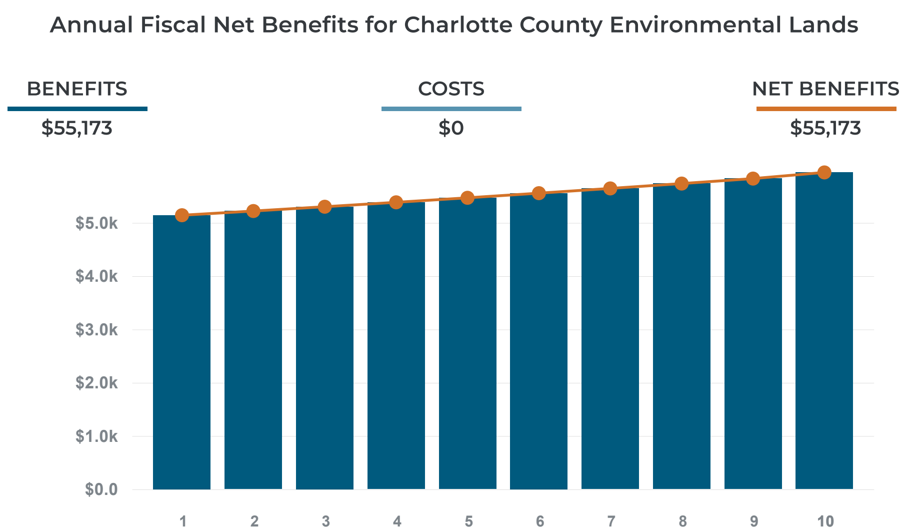
NET BENEFITS OVER 10 YEARS: GREATER CHARLOTTE STREET LIGHTING DISTRICT			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	$76,867	$0	$76,867
FF&E Property Taxes	$1,638	$0	$1,638
New Residential Property Taxes	$0	$1,078	$1,078
Benefits Subtotal	**$78,505**	**$1,078**	**$79,583**
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	$0	$0	$0
Costs Subtotal	**$0**	**$0**	**$0**
Net Benefits	**$78,505**	**$1,078**	**$79,583**

Annual Fiscal Net Benefits for Greater Charlotte Street Lighting District

Charlotte County Environmental Lands Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Charlotte County Environmental Lands over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: CHARLOTTE COUNTY ENVIRONMENTAL LANDS			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	$52,559	$0	$52,559
FF&E Property Taxes	$1,120	$0	$1,120
New Residential Property Taxes	$0	$1,495	$1,495
Benefits Subtotal	**$53,679**	**$1,495**	**$55,173**
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	$0	$0	$0
Costs Subtotal	**$0**	**$0**	**$0**
Net Benefits	**$53,679**	**$1,495**	**$55,173**



West Coast Inland Water District Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by West Coast Inland Water District over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: WEST COAST INLAND WATER DISTRICT			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	$10,354	$0	$10,354
FF&E Property Taxes	$221	$0	$221
New Residential Property Taxes	$0	$294	$294
Benefits Subtotal	**$10,575**	**$294**	**$10,869**
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	$0	$0	$0
Costs Subtotal	**$0**	**$0**	**$0**
Net Benefits	**$10,575**	**$294**	**$10,869**

Annual Fiscal Net Benefits for West Coast Inland Water District

Methodology

Overview of Methodology

The Impact DashBoard model combines project-specific attributes with community data, tax rates, and assumptions to estimate the economic impact of the Project and the fiscal impact for local taxing districts over a 10-year period.

The economic impact as calculated in this report can be categorized into two main types of impacts. First, the direct economic impacts are the jobs and payroll directly created by the Project. Second, this economic impact analysis calculates the spin-off or indirect and induced impacts that result from the Project. Indirect jobs and salaries are created in new or existing area firms, such as maintenance companies and service firms, that may supply goods and services for the Project. In addition, induced jobs and salaries are created in new or existing local businesses, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to new workers and their families.

The economic impact estimates in this report are based on the Regional Input-Output Modeling System (RIMS II), a widely used regional input-output model developed by the U. S. Department of Commerce, Bureau of Economic Analysis. The RIMS II model is a standard tool used to estimate regional economic impacts. The economic impacts estimated using the RIMS II model are generally recognized as reasonable and plausible assuming the data input into the model is accurate or based on reasonable assumptions. Impact DataSource utilizes adjusted county-level multipliers to estimate the impact occurring at the sub-county level.

Two types of regional economic multipliers were used in this analysis: an employment multiplier and an earnings multiplier. An employment multiplier was used to estimate the number of indirect and induced jobs created or supported in the area. An earnings multiplier was used to estimate the amount of salaries to be paid to workers in these new indirect and induced jobs. The employment multiplier shows the estimated number of total jobs created for each direct job. The earnings multiplier shows the estimated amount of total salaries paid to these workers for every dollar paid to a direct worker. The multipliers used in this analysis are listed below:

484122 GENERAL FREIGHT TRUCKING, LONG-DISTANCE, LESS THAN TRUCKLOAD		CHARLOTTE COUNTY
Employment Multiplier	(Type II Direct Effect)	1.5419
Earnings Multiplier	(Type II Direct Effect)	1.3808

Most of the revenues estimated in this study result from calculations relying on (1) attributes of the Project, (2) assumptions to derive the value of associated taxable property or sales, and (3) local tax rates. In some cases, revenues are estimated on a per new household, per new worker, or per new school student basis.

The company or Project developer was not asked, nor could reasonably provide data for calculating some other revenues. For example, while the city will likely receive revenues from fines paid on speeding tickets given to new workers, the company does not know the propensity of its workers to speed. Therefore, some revenues are calculated using an average revenue approach.

This approach uses relies on two assumptions:

1. The taxing entity has two general revenue sources: revenues from residents and revenues from businesses.
2. The taxing entity will collect (a) about the same amount of miscellaneous taxes and user fees from each new household that results from the Project as it currently collects from existing households on average, and (b) the same amount of miscellaneous taxes and user fees from the new business (on a per worker basis) will be collected as it collects from existing businesses.

In the case of the school district, some additional state and federal revenues are estimated on a per new school student basis consistent with historical funding levels.

Additionally, this analysis sought to estimate the additional expenditures faced by local jurisdictions to provide services to new households and new businesses. A marginal cost approach was used to calculate these additional costs.

This approach relies on two assumptions:

1. The taxing entity spends money on services for two general groups: revenues from residents and revenues from businesses.
2. The taxing entity will spend slightly less than its current average cost to provide local government services (police, fire, EMS, etc.) to (a) new residents and (b) businesses on a per worker basis.

In the case of the school district, the marginal cost to educate new students was estimated based on a portion of the school's current expenditures per student and applied to the headcount of new school students resulting from the Project.

About Impact DataSource

Established in 1993, Impact DataSource is an Austin, Texas-based economic consulting firm. Impact DataSource provides high-quality economic research, specializing in economic and fiscal impact analyses. The company is highly focused on supporting economic development professionals and organizations through its consulting services and software. Impact DataSource has conducted thousands of economic impact analyses of new businesses, retention and expansion projects, developments, and activities in all industry groups throughout the U.S.

For more information on Impact DataSource, LLC and our product Impact DashBoard, please visit our website www.impactdatasource.com