Economic Impact Analysis of the Proposed Big League Dreams SportsPlex for Clay County, Florida

The Apalachee Regional Planning Council has been requested to perform an economic analysis of the proposed sports development and associated commercial and residential developments to be located near Branan Field Road in unincorporated Clay County. The analysis was performed on the latest edition REMI economic analysis modeling software by Regional Economic Models, Inc. Amherst, Ma.

The analysis is limited to the impacts induced by additional employment at the proposed Big League Dreams sports park and the new commercial and residential activities as well as the impacts of the additional construction of those activities. Ad valorem or other taxable value changes on these or adjacent properties are not included in this portion of the total report.

Values for intensity of development and the distribution of components on a time scale were provided by the client's representative or by Big League Dreams. Construction values per unit square foot were obtained from the website of RS Means, Reeds Construction Data as adjusted for the Jacksonville metropolitan area which most closely resembles the construction market in Clay County. Table 1 presents the numerous components of the project and their proposed timeline for construction. Proposed cost for the Sports Park is from the developer.

Table 1 – Big League Dreams Overall Development Plan Timeline and Construction Values

Year	Component	Development Cost[3]
2014	Big League Dreams SportsPlex	$ 19,000,000
2014 - 2018	Hotel 80 beds	$ 7,771,968
	2 Sit Down Restaurants	$ 1,270,000
	Fast Food Rest.	$ 1,000,000
	80,000 Retail Anchor	$ 7,563,976
	60,000 Retail Strip	$ 5,630,328
	18 Screen Theatre 60Ksf	$ 8,418,900
	Gas/Station w store	$ 320,000
	Multi-fam 350du	$ 49,918,850
	Bank 5,000sf	$ 1,033,600
	Medical Ofc 40,000sf	$ 6,378,680
2019 - 2022	80,000 Retail Anchor	$ 7,563,976
	Water Park 7 ac.[2]	$ 12,500,000
	Hotel 120 beds	$ 11,657,952
	2 Sit Down Restaurants	$ 1,270,000
	Multi-fam 350du	$ 49,918,850
	100,000 Retail Strip	$ 9,383,880
	Ofc,Warehouse 80,000	$ 7,054,080
	2 Fast Food Rest.	$ 1,000,000
	3 Jr, Anchors - Retail 75Ksf	$ 7,091,228
	Gas/Station w store	$ 320,000
2023 - 2030	Commercial Retail 1M sf	$ 93,838,800
	Office /Warehouse 1.2M sf	$ 105,811,200
2031 - 2035	Commercial Retail 1M sf	$ 93,838,800
	Office /Warehouse 1.2M sf	$ 105,811,200

[1] Unless noted otherwise all sf or unit costs from:
http://www.reedconstructiondata.com/rsmeans/models/
[2] http://www.markey-consult.com/faqs.html
[3] All Dollars in $2013

The investments were put into the model over time for many of the large commercial or residential components to flatten peaks and to approach the reality of long term development over mixed sites. For example, the residential units are spread evenly over the 2014 to 2022 period. Similarly the large scale development from 2023 through 2035 was spread over that period. Small site development was generally modeled as occurring in one calendar year with employment maturing in that year or in the following calendar year. Employment data for each of the components was supplied by the developer's representative. Employment was also spread out for some of the components as additional square footage for retail comes on line or as additional multi-family units require larger staffing. The employment data are presented in Table 2 as totals for each component.

The employment for individual components were aggregated into their two digit NAICS[1] sectors. The REMI program, through its complex algorithms calculates the impact of additional employment as wages disbursed within Clay and the surrounding counties, the additional population required to serve these activities, supplies from service industries, imports and exports to and from the region, and multiple other inter-related functions in generating its output.

Employment Sector Key

Retail Trade
Transportation & Warehousing
Finance & Insurance
Real Estate & Rental
Health Care
Arts, Entertainment & Recreation
Accomodation & Food Service

REMI is sometimes called an "Econometric model," as the underlying equations and responses are estimated using advanced statistical techniques. The estimates are used to quantify the structural relationships in the model. The speed of economic responses is also estimated, since different adjustment periods will result in different policy recommendations and even different economic outcomes.

YEAR	TYPE	EMPLOYEE RATE	TOTAL
2014 - 2018	Sportsplex	From Client (FTEs)	40
	Hotel (80 Beds)	8 per 10 rooms	64
	2 Sit Down Restaurant (175 Seats)	5 full time; 65 part time per restaurant 80 FTE	40 Ea
	Fast Food Restaurant	50 part time 30 FTE	30
	Big Box Retail (80,000 sf)	1 per 450 sq. ft.	178
	Strip Retail (60,000 sf)	1 per 450 sq. ft.	133
	18 Screen Theatre (90,000 sf)	1 per 1500 sq. ft.	60
	Gas Station	8 per station	8
	Multi-Family (350 Units)	1 office + 1 maint. / 80 units	9
	Financial (5,000 sf)	1 per 300 sq. ft.	17
	Medical Office (40,000 sf)	1 per 300 sq. ft.	133
2019-22	Big Box Retail (80,000 sf)	1 per 450 sq. ft.	178
	Water Park (7 Acres)	80 employees	80
	Hotel (120 Beds)	8 per 10 rooms	96
	Sit Down Restaurant (175 Seats)	5 full time; 65 part time per restaurant 80 FTE	40 Ea
	Multi-Family (350 Units)	1 office + 1 maint. / 80 units	9
	Strip Retail (100,000 sf)	1 per 450 sq. ft.	222
	Office/Warehouse (40,000 sf)	1 per 300 sq. ft.	266
	Fast Food Restaurant	50 part time 30 FTE	30 Ea
	Junior Anchors (25,000 sf)	1 per 450 sq. ft.	167
	Gas Station	8 per station	8
2023-30	Commercial Ret. 1M sf	1 per 450 sq. ft.	2000
	Ofc, Warehouse 1.2M sf	1.4 per 1,000sf	6000
2031-35	Commercial Ret. 1M sf	1 per 450 sq. ft.	2000
	Ofc, Warehouse 1.2M sf	1 per 2,000sf	6000

Table 2 – Projected Employment by Component

The program's output describes several distinct measures that are familiar and easy to understand. These are:

- Personal Income
- Total Employment
- Total Output
- Value Added, and
- Population

[1] NAICS; North American Industry Classification System

Personal Income

The first, Personal Income, is the income received by persons from all sources. It includes income received from participation in production as well as from government and business transfer payments. It is the sum of compensation of employees (received), supplements to wages and salaries, proprietors' income, and rental income. Additional disposable income spread throughout the community will reflect on demands for additional goods and.

Figure 1 shows the effect of the Big League Dream's development on Personal Income for Clay County without the additional development, Figure 2 shows the greatly increased impact if all proposed projects are developed.

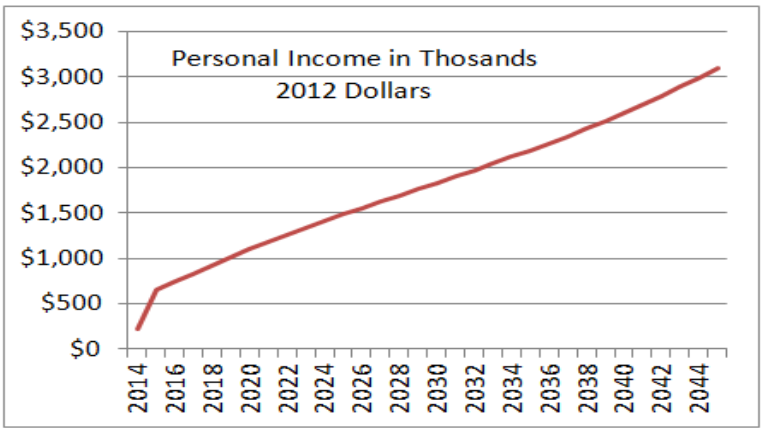


Figure 1 Disposable Income SportsPlex Only

In Figure 2 we present the addition to personal income to Clay County in the development scenario that includes all of the proposed development.

We can see from the scale of the two graphs that the additional construction and salaries from the completed project has far more impact than that of the sports complex alone. At ten years out, the sports complex alone is projected to generate almost $1.5M in personal income. By comparison, the proposed developments co-located with the sports complex are projected to create $93.8M dollars

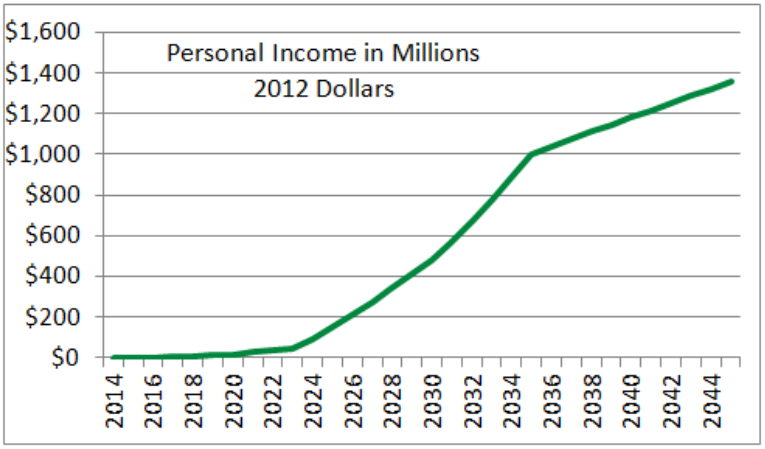


Figure 2 Personal Income All Development

Employment

Employment from Table 2 above was input into the appropriate sectors and distributed throughout the construction period. For most of the large single site developments employment was usually added to the year following the programmed construction year as full construction of a new facility from ground breaking to ribbon cutting is often a year long process. The REMI model applies these new employment figures to the projected background growth for the county and reflected employment in other industries is included. Employment comprises estimates of the number of jobs, full-time plus part-time, by place of work. Sole proprietors, and active partners are included, but unpaid family workers and volunteers are not included. For example, in 2024, ten years out from the start of the project, the background employment for Clay County is anticipated to be 82,581. The modeled increase from the proposed new facilities by the end of 2024 is 84,303 or a difference of 2,722 new jobs. In that year, 2024, anticipated temporary employment due to construction is projected to be an additional 40 for a total of 2,762 employees. Figure 3 presents the employment curve for the project as scheduled by the developer through 2045. Construction is scheduled to be completed by 2035.

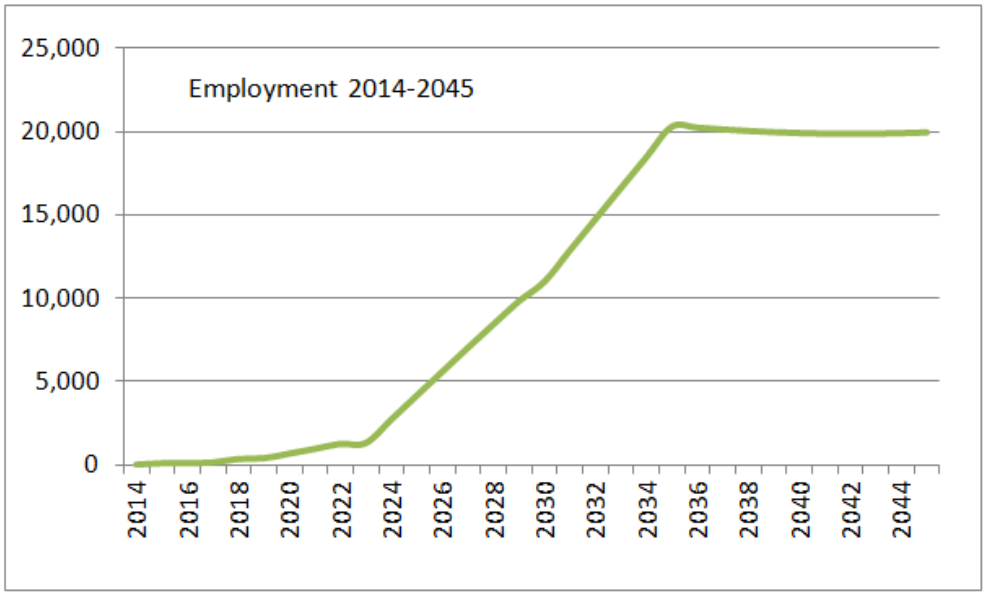


Figure 3 Direct and Induced Employment

Total Output and Value Added

Total Output is the sum of output for private non-farm industries, state and local government, federal civilian, federal military, and farm sectors. It is related to Total Value Added, the sum of value added for private non-farm industries, state and local government, federal civilian, federal military, and farm sectors. In the developed model, only the seven sectors indicated on Page 2 have inputs, but the model reflects the impacts of these inputs and demands on the economic structure of Clay and the surrounding counties. Figure 4 below presents these two output measures through 2045.

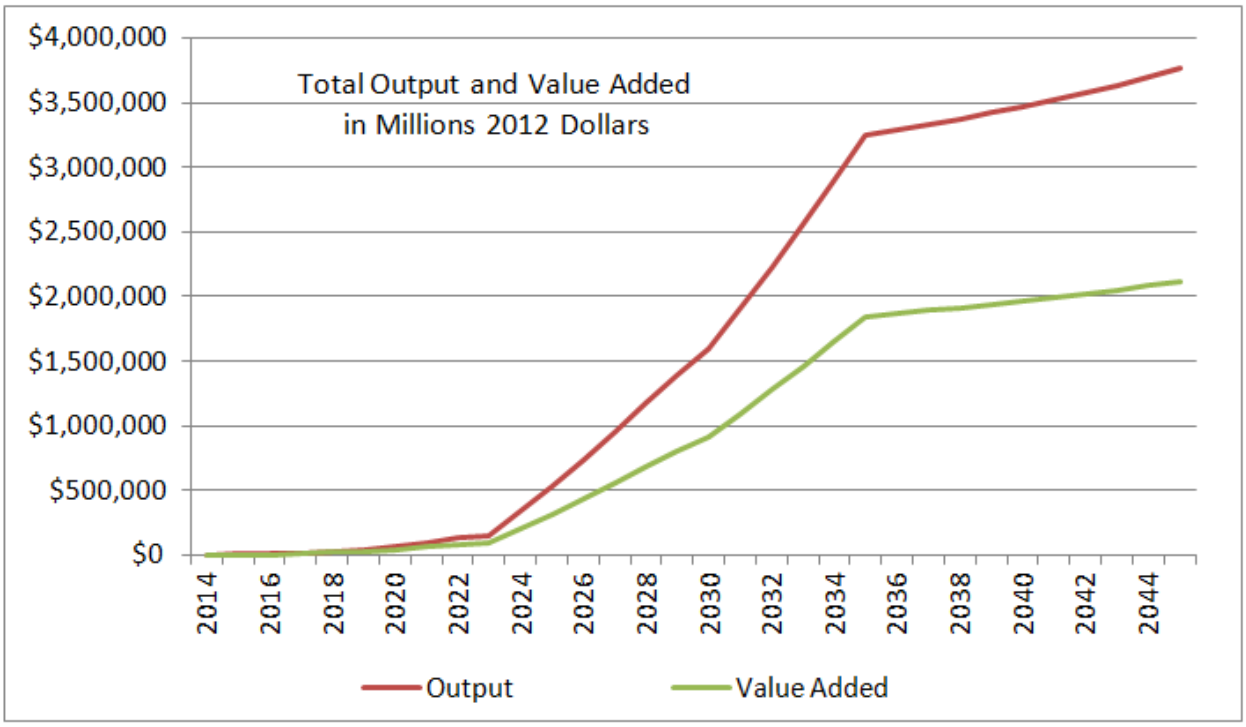


Figure 4 Total Output and Value Added

These values are summarized and totaled by five year increments in Table 3 below, the values represent the cumulative Total Output or Value added in the preceding five years. Contrasting the total value of applied as construction, compared to the cumulative economic impacts, the construction costs for the entire project total only $571M compared to $5.8Billions in Total Output in 2030. The accumulating impact grows to nearly ten times that value to $55.2Billions by 2045.

Table 3 – Total Output and Value Added through 2045 in Billions (2012 Dollars)

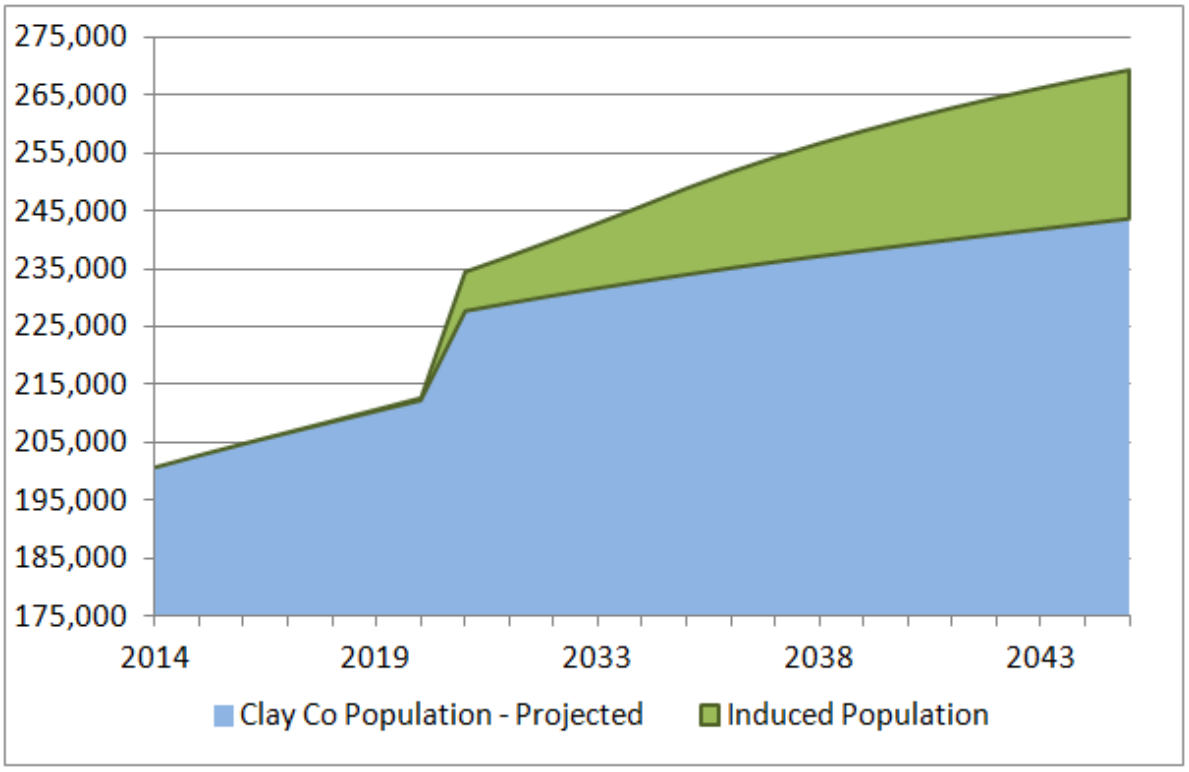
Year	2015	2020	2025	2030	2035	2040	2045	Totals 2014-45
Total Output	8.6	152.7	1,250.7	5,862.5	12,847.2	16,897.5	18,200.3	$55,220
Value Added	5.4	152.7	752.4	3,397.3	7,339.8	9,585.6	10,272.1	31,505

Population

The project as modeled, will have a modest impact on population. Assuming the project develops per the timeline and employment demands are met from the growing region and its surrounding counties, population may begin to rise in the latter period as its employment and residential assets are filled. The REMI model includes the 67 Florida counties and will reflect relocation pressures. Employment opportunities in Clay County will induce in-migration from adjoining and nearby counties.

Figure 5 below presents the induced population curve through buildout plus ten years to 2045. It can be seen that the effects of the development do not suddenly stop at the anticipated end of construction but continue to cause induced growth. Also note that the largest bump in induced population occurs near the end of the residential construction sequence.

Figure 5 Projected Population Curves for Clay County with Induced Population.



Note, all values in this report indicated in graphs or tables are additional values above projected trendlines for employment, personal incomes or population. The REMI model uses prior demographic information to project future trends and applies any modeled affects to those trendlines.