

AN EXECUTIVE SUMMARY OF THE ECONOMIC IMPACT OF PALM COAST MPD IN PALM COAST, FL

June 23, 2026

Prepared by:



PURPOSE & LIMITATIONS

This report presents the results of an analysis undertaken by Impact DataSource, an Austin, TX based economic consulting firm with considerable experience in Florida. The analysis relies on prospective estimates of development and business activity that may not be realized. Impact DataSource and the Client made reasonable efforts to ensure that the project-specific data reflects realistic estimates of future activity.

The analysis presented in this report incorporates estimates, assumptions, and other information developed by the Impact DataSource from their independent research effort.

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- Palm Coast MPD is a master-planned mixed-use community located in Palm Coast, Florida. This impact analysis estimates the economic and fiscal impact of the MPD on the City of Palm Coast, Flagler County, Flagler County Public Schools and other local taxing jurisdictions.
- The MPD includes significant residential and non-residential development to be built out over the next 30 years. The table below summarizes the developments components, costs and expected taxable value.

Table 1. Development Attributes and Summarized Cost and Taxable Value Assumptions in Current Dollars

	Units	Cost Per Unit	Total Cost	Taxable Value Per Unit	Total Taxable Value
Multi-Family	2,000	\$200,000	\$400,000,000	\$200,000	\$400,000,000
Single Family	19,920	\$350,000	\$6,972,000,000	\$350,000	\$6,972,000,000
<u>Residential Total</u>	<u>21,920</u>		<u>\$7,372,000,000</u>		<u>\$7,372,000,000</u>

	SF	Cost Per SF	Total Cost	Taxable Value Per SF	Total Taxable Value
Commercial	1,876,000	\$288	\$539,350,000	\$144	\$269,675,000
Industrial	3,235,000	\$173	\$558,037,500	\$69	\$223,215,000
Office	738,000	\$374	\$275,827,500	\$187	\$137,913,750
Hotels, Hospitals & Other Dev.			\$497,606,537		\$175,663,603
<u>Non-Residential Total</u>	<u>5,849,000</u>		<u>\$1,870,821,537</u>		<u>\$806,467,353</u>
<u>Grand Total</u>			<u>\$9,242,821,537</u>		<u>\$8,178,467,353</u>

- The development's residential impact is expected to expand the number households in the county by 21,920 units. The total household income of new households is expected to be \$2.2 billion per year at full build-out.
 - *An increase of 21,920 housing units represents an 33% increase in the number of housing units in Flagler County over the next 30 years.*
- The new residents will support new taxable property and benefit the county through additional household spending. The residential growth will impose additional costs on the county and school district in the form of one-time capital costs as well as new on-going operating expenditures. These costs will be more than offset by the additional taxes and other revenues generated for the county and school district resulting in a net positive fiscal impact.
- The non-residential development includes 5.8 million square feet of new commercial, industrial, and office space. The new non-residential space is expected to facilitate business growth and job creation in the county and this growth may is estimated to include 13,292 jobs at full buildout.
- The employment impact of the new business activity is estimated to include 13,292 direct jobs as well as 6,594 indirect and induced jobs when incorporating the total economic impact.
 - *The direct employment impact of 13,292 jobs represents a 50% increase in employment in Flagler County over the next 30 years.*
- The new business activity will also support new taxable property and benefit the county through additional employment opportunities and taxable spending in the county. The business growth will impose additional costs on the county in the form of one-time capital costs as well as new on-going operating expenditures. These costs will be more than offset by the additional taxes and other revenues generated for the county and school district resulting in a net positive fiscal impact.

Study Highlights

- This analysis assumes a 2% annual increase in the per-square foot construction costs over time and a 2% annual increase in the value of property added to tax rolls. Additionally, the analysis accounts for a 2% annual increase in the wages paid to new workers and in per household and per worker revenues and local government operating costs. Importantly, this analysis assumes no increase in impact fees. In this way, the analysis is intended to be conservative.
- The estimated construction spending of \$12.3 billion is expected to support an additional \$6.1 billion in spending in the county and result in a total of \$18.4 billion of economic output over the 30-year period.

Temporary Construction Impact

- 87,114 job-years of employment or 3,004 workers per year on average during construction.
- \$6.1 billion in salaries for construction workers during construction.
- \$18.4 billion in revenues or sales for businesses related to construction.
- Impact DataSource estimates that the development will generate \$756.7 million in net benefits for the City of Palm Coast and \$1,135.6 million for Flagler County over the next 30 years. Including the school and other jurisdictions, the development is estimated to generate and \$2.4 billion in total net benefits for all local districts. A majority of this net benefit comes from property taxes, sales taxes, and development impact fees.

Table 2. Local Fiscal Net Benefits over 30 Years

	City of Palm Coast	Flagler County	Flagler County Public Schools	Other Jurisdictions	Total
Sales Taxes	\$57,224,937	\$52,646,942	\$114,449,874	\$0	\$224,321,754
Property Taxes	\$782,022,455	\$1,564,312,640	\$1,022,922,777	\$106,384,734	\$3,475,642,605
Tourist Development Taxes	\$0	\$78,463,319	\$0	\$0	\$78,463,319
Impact Fees	\$533,474,127	\$12,974,755	\$111,284,000	\$0	\$657,732,881
Misc. Revenue or Funding	\$214,944,413	\$415,621,334	\$839,233,865	\$0	\$1,469,799,612
Benefits	\$1,587,665,932	\$2,124,018,990	\$2,087,890,516	\$106,384,734	\$5,905,960,172
Operating Costs	(\$297,513,847)	(\$975,492,487)	(\$1,140,921,224)	\$0	(\$2,413,927,558)
Baseline Capital Costs	(\$533,474,127)	(\$12,974,755)	(\$512,588,270)	\$0	(\$1,059,037,152)
Costs	(\$830,987,974)	(\$988,467,241)	(\$1,653,509,494)	\$0	(\$3,472,964,710)
Net Benefits	\$756,677,958	\$1,135,551,749	\$434,381,022	\$106,384,734	\$2,432,995,462

These highlights are just a brief summary of the analysis, additional assumptions and details are provided on the following pages.

Introduction

This report presents the results of an economic and fiscal impact analysis prepared by Impact DataSource, an Austin, Texas based economic consulting, research, and analysis firm. The report estimates the impact that the master-planned development will have on the local economy and estimates the fiscal costs and benefits for the City of Palm Coast, Flagler County, and other local taxing districts over a 30-year period.

Palm Coast MPD

Palm Coast MPD (the "MPD") is a master-planned mixed-use community located in Palm Coast, Florida. This impact analysis estimates the economic and fiscal impact of the MPD on Flagler County, City of Palm Coast, Flagler County Public Schools, and other local jurisdictions.

Palm Coast MPD includes significant residential and commercial development which will represent a significant increase in new property value, new tourism, new employment, and new residents in the county. Current plans for the MPD include a total of 21,920 residential units, 5.85 million square feet of non-residential space plus 1,035 hotel rooms, and a 100-bed hospital.

Table 3. Development by Phase and Component

	<u>Development To Be Added 2026-2055</u>			
	Phase 1	Phase 2	Phase 3	Total
<u>Non-Residential Development (Square Feet)</u>				
Commercial	810,000	478,000	588,000	1,876,000
Industrial	0	2,179,000	1,056,000	3,235,000
Office	400,000	0	338,000	738,000
Multipurpose Recreational Center	180,000	0	0	180,000
<u>Total Square Feet</u>	<u>1,210,000</u>	<u>2,657,000</u>	<u>1,982,000</u>	<u>5,849,000</u>
<u>Non-Residential Development (Units)</u>				
Hotel (Rooms)	920	115	0	1,035
Hospital (Beds)	100	0	0	100
<u>Residential Development (Units)</u>				
Multi-Family	1,180	820	0	2,000
Single Family	6,126	6,654	7,140	19,920
<u>Total Units</u>	<u>7,306</u>	<u>7,474</u>	<u>7,140</u>	<u>21,920</u>

The development associated with the MPD is expected take place over the 30-year period from 2026 through 2055. This analysis models the buildout based on the developer's absorption schedule and accounts for new property coming on line over the period.

Non-Residential Development Assumptions

The tables below illustrate the assumptions used to estimate the commercial, industrial, and office development cost as well as the on-going employment and commercial sales activity included in the MPD.

Commercial Space

This analysis assumes a cost of \$288 per square foot in hard construction costs to build the commercial space for a total cost of \$539.4 million for this component of the MPD. In alignment with typical market values for similar property in the county, this analysis assumes the market value of the commercial real property improvements will be equal to 50% of the hard construction costs.

Table 4. Commercial Development and Workers

	Retail	Full-Service Restaurant	Limited Service Restaurant	Commercial Total
Estimated Percent of Space	50.0%	30.0%	20.0%	100.0%
Total Square Feet	938,000	562,800	375,200	1,876,000
Development Cost per Square Foot	\$287.50	\$287.50	\$287.50	\$287.50
Total Development Cost	\$269,675,000	\$161,805,000	\$107,870,000	\$539,350,000
Taxable Value as % of Development	50%	50%	50%	50%
Taxable Value to be Added	\$134,837,500	\$80,902,500	\$53,935,000	\$269,675,000
Taxable Value per SF	\$144	\$144	\$144	
Activity	452000 General merchandise stores	722110 Full- service restaurants	722211 Limited- service restaurants	
Square Feet Per Worker ^a	375	375	375	375
Estimated Workers	2,501	1,501	1,001	5,003
Average Salary ^b	\$31,589	\$38,133	\$25,090	\$32,253
Total Workers' Earnings	\$79,015,329	\$57,230,650	\$25,103,047	\$161,349,026

a. The "Square Feet Per Worker" assumption targets an overall average of 500 square feet per employee across commercial, industrial, and office space uses. This average is consistent with the current square feet to worker ratio in the county.

b. The "Average Salary" reflects the average workers' earnings paid by the identified activity according to the RIMS II economic impact model for Flagler County.

Note: All construction costs and taxable values shown above are presented in current dollars. This analysis accounts for a 2% annual increase in construction costs and a 2% annual increase in the taxable value over time.

The commercial development and the tenants occupying the space will create new employment opportunities in the county and support taxable spending activity. Impact DataSource assumes that the 1.9 million square feet of planned commercial space will include a mix of retail, hotel, full-service and limited-service restaurants. Although the future tenant mix may be different, these assumptions are intended to be illustrative of the type of activity and impact generated from the commercial space. Based on details about the type of use and amount of square feet per worker, Impact DataSource estimates the total employment impact resulting from the commercial development. In total, Impact DataSource estimates 5,003 jobs could be created in the commercial space. Overall, the annual expected wages for these workers are relatively modest at \$32,000.

Industrial Space

This analysis assumes a cost of \$173 per square foot in hard construction costs to build the industrial space for a total cost of \$558.0 million for this component of the MPD. In alignment with typical market values for similar property in the county, this analysis assumes the market value of the industrial real property improvements will be equal to 40% of the hard construction costs.

Impact DataSource assumes that the tenants occupying the 3.2 million square feet of planned industrial space will include a mix of manufacturing/light industrial and warehousing/distribution activity. Impact DataSource estimates 5,003 jobs could be created in the industrial space with these workers making \$52,000 per year in salaries and wages.

Table 5. Industrial Development and Workers Assumptions

	Manufacturing / Light Industrial	Warehouse / Distribution	Industrial Total
Estimated Percent of Space	50.0%	50.0%	100.0%
Total Square Feet	1,617,500	1,617,500	3,235,000
Development Cost per Square Foot	\$172.50	\$172.50	\$172.50
Total Development Cost	\$279,018,750	\$279,018,750	\$558,037,500
Taxable Value as % of Development	40%	40%	40%
Taxable Value to be Added	\$111,607,500	\$111,607,500	\$223,215,000
<i>Taxable Value per SF</i>	<i>\$69</i>	<i>\$69</i>	
Activity	339990 All other miscellaneous manufacturing	493000 Warehousing and storage	
Square Feet Per Worker ^a	650	650	650
Estimated Workers	2,488	2,488	4,977
Average Salary ^b	\$63,567	\$40,936	\$52,251
Total Workers' Earnings	\$158,184,078	\$101,867,110	\$260,051,189

a. The "Square Feet Per Worker" assumption targets an overall average of 500 square feet per employee across commercial, industrial, and office space uses. This average is consistent with the current square feet to worker ratio in the county.

b. The "Average Salary" reflects the average workers' earnings paid by the identified activity according to the RIMS II economic impact model for Flagler County.

Note: All construction costs and taxable values shown above are presented in current dollars. This analysis accounts for a 2% annual increase in construction costs and a 2% annual increase in the taxable value over time.

Office Space

This analysis assumes that 50% of the office space to be constructed will be one-story office buildings at a cost of \$288 per square foot in hard construction costs. The remaining 50% of the office space to be constructed will be midrise office buildings at a cost of \$460 per square foot. In total, it is estimated that \$275.8 million will be required for this component of the MPD. This analysis assumes the market value of the office real property improvements will be equal to 50% of the hard construction costs and consistent with the market value of similar office property in the county.

Impact DataSource assumes that the tenants occupying the 738,000 square feet of planned office space will include a mix of other professional services activities and management activities. In order to reflect this mix, Impact DataSource associates the other professional services activities with 50% of the overall office space and management activities with the remaining 50% of the space. Impact DataSource estimates 1,640 jobs could be created in the office space with these workers making \$99,000 per year in salaries and wages.

Table 6. Office Development and Workers Assumptions

	Office (1-Story)	Midrise	Industrial Total
Estimated Percent of Space	50.0%	50.0%	100.0%
Total Square Feet	369,000	369,000	738,000
Development Cost per Square Foot	\$287.50	\$460.00	\$373.75
Total Development Cost	\$106,087,500	\$169,740,000	\$275,827,500
Taxable Value as % of Development	50%	50%	50%
Taxable Value to be Added	\$53,043,750	\$84,870,000	\$137,913,750
<i>Taxable Value per SF</i>	<i>\$144</i>	<i>\$230</i>	
Activity	5419A0 All other miscellaneous professional, scientific, and technical services	550000 Management of companies and enterprises	
Square Feet Per Worker ^a	450	450	450
Estimated Workers	820	820	1,640
Average Salary ^b	\$82,812	\$114,929	\$98,870
Total Workers' Earnings	\$67,906,078	\$94,241,506	\$162,147,584

a. The "Square Feet Per Worker" assumption targets an overall average of 500 square feet per employee across commercial, industrial, and office space uses. This average is consistent with the current square feet to worker ratio in the county.

b. The "Average Salary" reflects the average workers' earnings paid by the identified activity according to the RIMS II economic impact model for Flagler County.

Note: All construction costs and taxable values shown above are presented in current dollars. This analysis accounts for a 2% annual increase in construction costs and a 2% annual increase in the taxable value over time.

Multipurpose Recreational Center & Sports Complex Fields

The MPD includes a multipurpose recreational center and outdoor soccer fields. Total development cost is estimated to be approximately \$93.0 million with \$44.8 million for hard costs.

Based on a previous study by The Sports Facilities Advisory, the facility is expected to support 52 events per year, inclusive of basketball, volleyball, multipurpose field tournaments, and other tournaments or events. These tournaments and events are expected to drive over 400,000 non-local days in market by visitors. These visitors are anticipated to support approximately 123,000 hotel nights per year and a total of \$493 million in direct spending in the county by visitors.

Table 7. Sports Complex Development

	Sports Complex
Total Development Cost	\$93,024,366
Taxable Value as % of Development	50%
Taxable Value to be Added	\$46,512,183

Table 8. Sports Complex Visitor Spending

	Sports Complex				
<u>Activity</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Basketball	10	12	14	14	14
Volleyball	9	13	14	14	14
Other	4	4	4	4	4
Multi-Purpose Field	14	17	20	20	20
<u>Total</u>	<u>37</u>	<u>46</u>	<u>52</u>	<u>52</u>	<u>52</u>
Non-Local Days in Market	249,492	334,164	408,252	408,252	408,252
Room Nights	74,976	100,592	122,976	122,976	122,976
Visitor Spending	\$30,119,714	\$40,341,670	\$49,285,882	\$49,285,882	\$49,285,882
<i>Spending Per Visitor Per Day</i>	<i>\$120.72</i>	<i>\$120.72</i>	<i>\$120.72</i>	<i>\$120.72</i>	<i>\$120.72</i>

Hotels

This analysis assumes a cost of \$200,000 per room in hard construction costs to build the hotels for a total cost of \$207.0 million for this component of the MPD. In alignment with typical market values for similar property in the county, this analysis assumes the market value of the hotel real property improvements will be equal to 50% of the hard construction costs.

Table 9. Hotel Development and Workers

	Hotel
Total Number of Rooms	1,035
Development Cost per Room	\$200,000
Total Development Cost	\$207,000,000
Taxable Value as % of Development	50%
Taxable Value to be Added	\$103,500,000
Activity	721000 Accommodation
Workers Per Room ^a	0.65
Estimated Workers	673
Average Salary ^b	\$47,352
Total Workers' Earnings	\$31,855,830

a. The "Workers per Room" is based on Impact DataSource's experience with other similar hotel projects.

b. The "Average Salary" reflects the average workers' earnings paid by the identified activity according to the RIMS II economic impact model for Flagler County.

Note: All construction costs and taxable values shown above are presented in current dollars. This analysis accounts for a 2% annual increase in construction costs and a 2% annual increase in the taxable value over time.

Hospital

This analysis assumes a cost of \$1.2 million per bed in hard construction costs to build the hospital for a total cost of \$120.0 million for this component of the MPD. In alignment with typical market values for similar property in the county, this analysis assumes the hospital will not be subject to property tax.

Table 10. Hospital Development and Workers

	Hospital
Total Number of Beds	100
Development Cost per Bed	\$1,200,000
Total Development Cost	\$120,000,000
Taxable Value as % of Development	0%
Taxable Value to be Added	\$0
Activity	622000 Hospitals
Workers Per Bed ^a	10.00
Estimated Workers	1,000
Average Salary ^b	\$77,126
Total Workers' Earnings	\$77,126,005

a. The "Workers per Bed" is based on Impact DataSource's experience with other similar hospital projects.

b. The "Average Salary" reflects the average workers' earnings paid by the identified activity according to the RIMS II economic impact model for Flagler County.

Note: All construction costs and taxable values shown above are presented in current dollars. This analysis accounts for a 2% annual increase in construction costs and a 2% annual increase in the taxable value over time.

Residential Development Assumptions

The table below illustrates the assumptions used to estimate the development of the residential units as well as the on-going residential impact of new residents.

According to the absorption plan, the development is expected to include 2,000 multi-family units and 19,920 single family residential units. Multi-family residential units are expected to cost \$200,000 to construct and result in a taxable value of \$170,000 per unit. The construction cost and taxable value of single family homes are both expected to be \$350,000. Again, the taxable value per multi-family unit and single family residential property are consistent with current values in the county.

The occupants of the multi-family residential units are assumed to have a slightly different demographic profile than that of the single family unit occupants. In both cases, it is assumed that 100% of these residential units are assumed to be occupied by net new households to the county. Each multi-family unit is expected to be occupied by 2.3 residents with an annual household income equal to the countywide median household income of \$82,420 and include 0.3 K-12 students. Single family homes are expected to be occupied by 2.6 residents with an annual household income of \$103,000 or 25% more than the countywide household median income and include 0.3 K-12 students.

Table 11. Residential Units and New Resident Assumptions

	Multi-Family	Single Family	Residential Total
Number of Units	2,000	19,920	21,920
Development Cost per Unit	\$200,000	\$350,000	
Total Development Cost	\$400,000,000	\$6,972,000,000	\$7,372,000,000
Taxable Value as % of Cost to Dev.	85%	100%	
Taxable Value to be Added	\$340,000,000	\$6,972,000,000	\$7,312,000,000
<i>Taxable Value per Unit</i>	<i>\$170,000</i>	<i>\$350,000</i>	
% of units filled by NET NEW households	100%	100%	
# of units filled by NET NEW households	2,000.0	19,920.0	21,920.0
Average residents per unit	2.30	2.60	2.57
Number of new residents	4,600.0	51,792.0	56,392.0
Average household income ^a	\$82,420	\$103,025	\$101,145
Total income of new residents	\$164,840,000	\$2,052,258,000	\$2,217,098,000
Average K-12 students per unit	0.30	0.30	0.30
Number of new K-12 students	600.0	5,976.0	6,576.0

a. Household income of multi-family households is assumed to be equal to the median household income in Flagler County and the household income of single family households is assumed to be 25% more than the median household income in the county.

Note: All construction costs and taxable values shown above are presented in current dollars. This analysis accounts for a 2% annual increase in construction costs and a 2% annual increase in the taxable value over time.

Economic Impact Overview

The Palm Coast master-planned development is summarized in the table below. It is expected that the taxable value of the development will be 88% of the total \$9.2 billion development cost and result in additional property taxes for local districts. It is assumed that 100% of the development's 21,920 residential units/homes will be occupied by new households as opposed to existing county households relocating within the county. The total household income of new households is expected to be \$2.2 billion per year. It is assumed that a portion of the household earnings of these new residents will be spent in the county.

The non-residential space will also generate taxable sales and provide employment opportunities as summarized in the table below.

Table 12. Development Summary

	Commercial	Hotel, Hospital & Other Dev.	Industrial	Office	Residential	Total
Development Cost	\$539,350,000	\$497,606,537	\$558,037,500	\$275,827,500	\$7,372,000,000	\$9,242,821,537
Taxable Value added to tax rolls	\$269,675,000	\$175,663,603	\$223,215,000	\$137,913,750	\$7,312,000,000	\$8,118,467,353
Residential Units or Homes					21,920	21,920
Number of units/homes occupied by new households					21,920	21,920
New Residents					56,392	56,392
Total new resident household income					\$2,217,098,000	\$2,217,098,000
Employment	5,003	1,673	4,977	1,640		13,292
Annual Workers' Earnings	\$161,349,026	\$108,981,835	\$260,051,189	\$162,147,584		\$692,529,634

New Business Growth Economic Impact

The MPD's non-residential development is expected to facilitate business growth and job creation in the county as described above. The direct employment is expected to support additional spin-off employment and economic activity throughout the county in the form of indirect and induced employment and earnings. The table below summarizes the estimated economic impact of permanent employment growth in the county as a result of the MPD.

Businesses located in the development are expected to create 13,292 jobs over the next 29 years. The additional spin-off employment created by suppliers to these businesses (indirect) and through workers spending new earnings in the county (indirect) is estimated to generate an additional 6,594 jobs. The total employment impact of the buildout may create a total of 19,886 jobs over the next 29 years in the county.

Table 13. On-Going Economic Impact of Permanent Job Creation

	Employment			Average Annual Earnings		
	Direct	Spin-off	Total	Direct	Spin-off	Total
Commercial						
Retail	2,501	609	3,111	\$31,589	\$47,708	\$34,747
Full-Service Restaurant	1,501	494	1,995	\$38,133	\$46,745	\$40,265
Limited-Service Restaurant	1,001	351	1,351	\$25,090	\$46,464	\$30,637
Hotel	673	322	994	\$47,352	\$0	\$0
Hospital	1,000	720	1,720	\$77,126	\$47,377	\$64,676
Industrial						
Light Industrial / Manufacturing	2,488	1,786	4,274	\$63,567	\$0	\$0
Warehousing	2,488	1,110	3,598	\$40,936	\$0	\$0
Office						
Other Professional Services	820	534	1,354	\$82,812	\$46,767	\$68,598
Management	820	669	1,489	\$114,929	\$47,887	\$84,804
Total	13,292	6,594	19,886	\$51,675	\$47,238	\$50,363

The graphs below illustrate the incremental and cumulative non-residential space developed and projected direct employment.

Figure 1. Incremental Non-Residential SF & Direct Employment

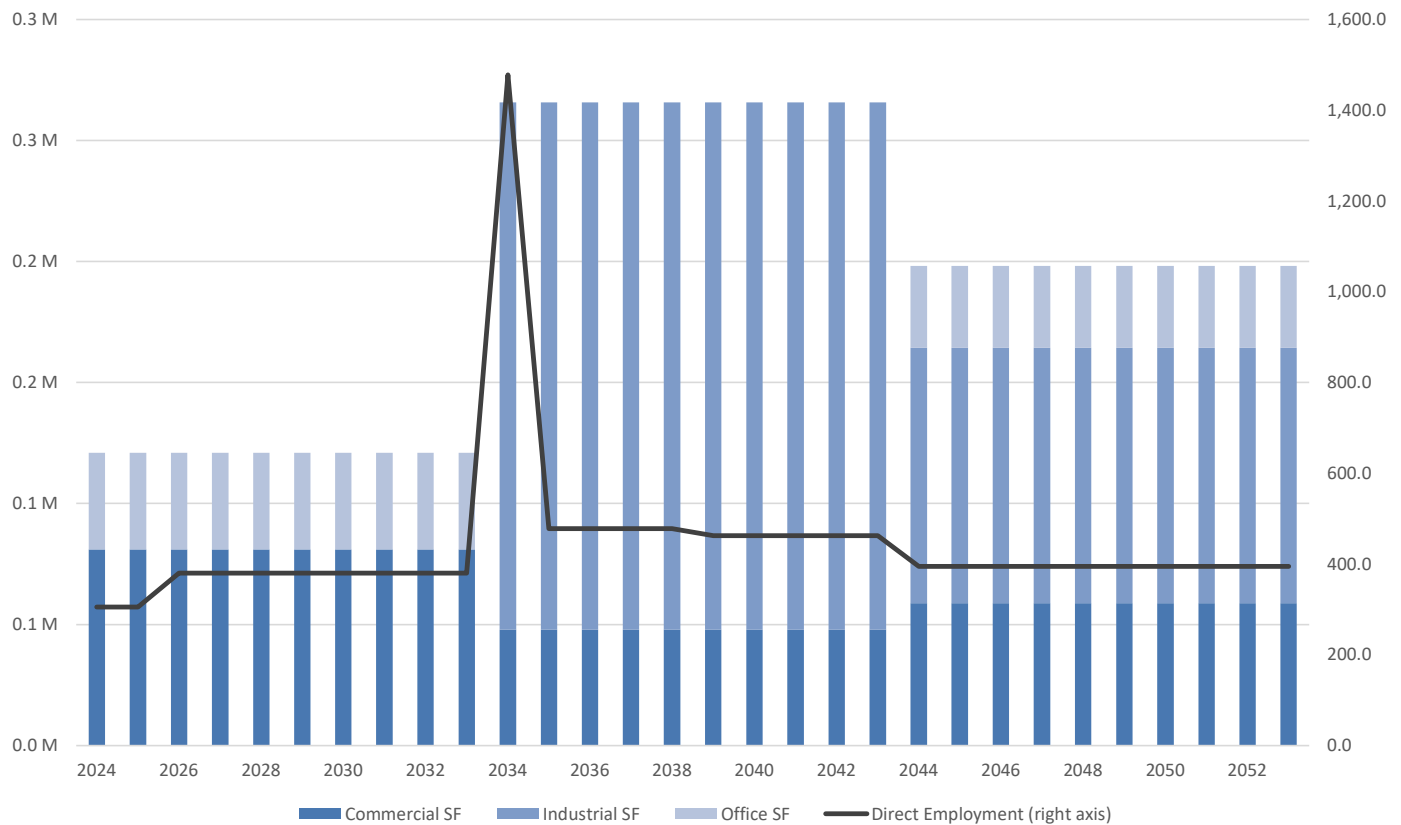
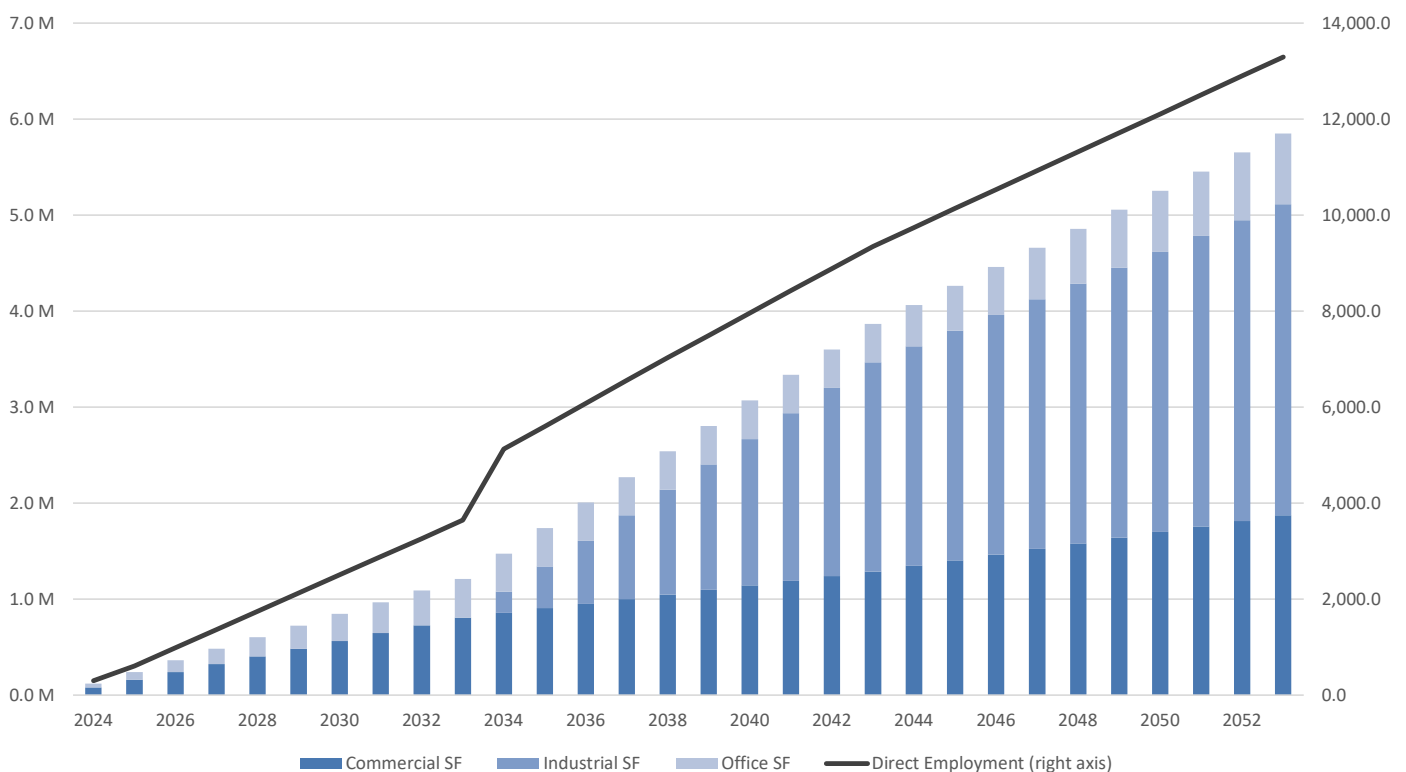


Figure 2. Cumulative Non-Residential SF & Direct Employment



Construction Impact

The economic impact of the MPD's residential and non-residential construction expenditures was estimated over the 30-year buildout period. Each dollar spent for construction will drive additional spending in the county and support both direct as well as spin-off employment.

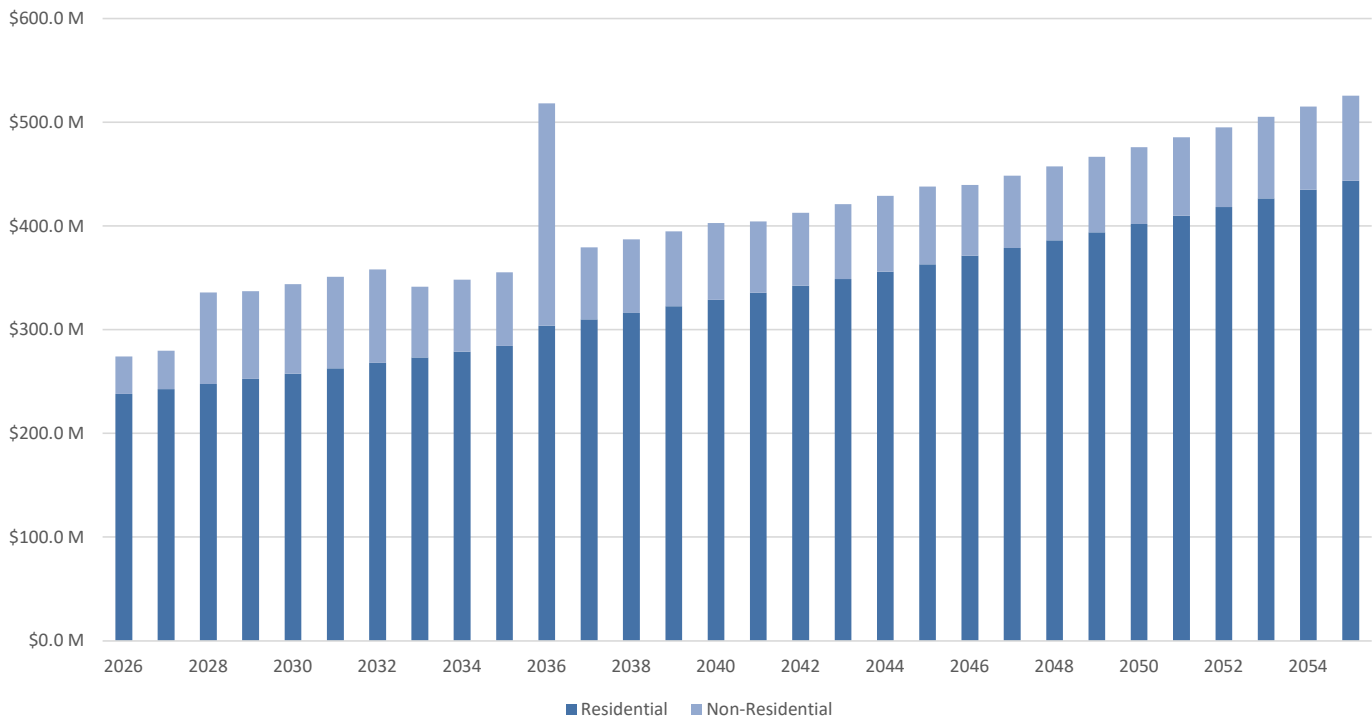
The estimated construction spending of \$12.3 billion is expected to support an additional \$6.1 billion in spending in the county and result in a total of \$18.4 billion of economic output over the 30-year period. This level of economic activity is expected to support a total of 87,100 job years of employment or approximately 3,000 jobs per year. The development activity is expected to support new household earnings or construction workers' income of \$209.1 million per year over the next 30 years.

Table 14. Economic Impact of Construction Spending

	30-Year Total Residential	30-Year Total Non-Residential	30-Year Total All Property	Annual Average
Economic Output:				
Direct	\$9,999,628,745	\$2,330,260,016	\$12,329,888,761	\$425,168,578
Indirect & Induced	\$5,046,812,628	\$1,016,226,393	\$6,063,039,020	\$209,070,311
Total Economic Output	\$15,046,441,372	\$3,346,486,408	\$18,392,927,781	\$634,238,889
Jobs:				
Direct	45,740.4	12,089.2	57,829.6	1,994.1
Indirect & Induced	24,498.6	4,786.1	29,284.7	1,009.8
Total Job-Years of Employment	70,238.9	16,875.3	87,114.2	3,003.9
Household Earnings:				
Direct	\$3,506,391,246	\$899,049,911	\$4,405,441,157	\$151,911,764
Indirect & Induced	\$1,386,427,099	\$270,973,643	\$1,657,400,742	\$57,151,750
Total Household Earnings	\$4,892,818,345	\$1,170,023,554	\$6,062,841,899	\$209,063,514

The graph below shows the direct construction expenditure by year.

Figure 3. Construction Expenditure by Year



Taxable Value

Based on the absorption schedule, construction costs, and assumptions about taxable value, the table below illustrates the taxable value of property over the next 30 years. By 2055, the taxable value associated with the MPD is estimated to be \$14.9 billion in new taxable property. The table includes residential and non-residential real property and an estimate of tangible personal property supported by businesses occupying non-residential space.

Table 15. Value of Taxable Property Supported by the MPD Over the Next 30 Years

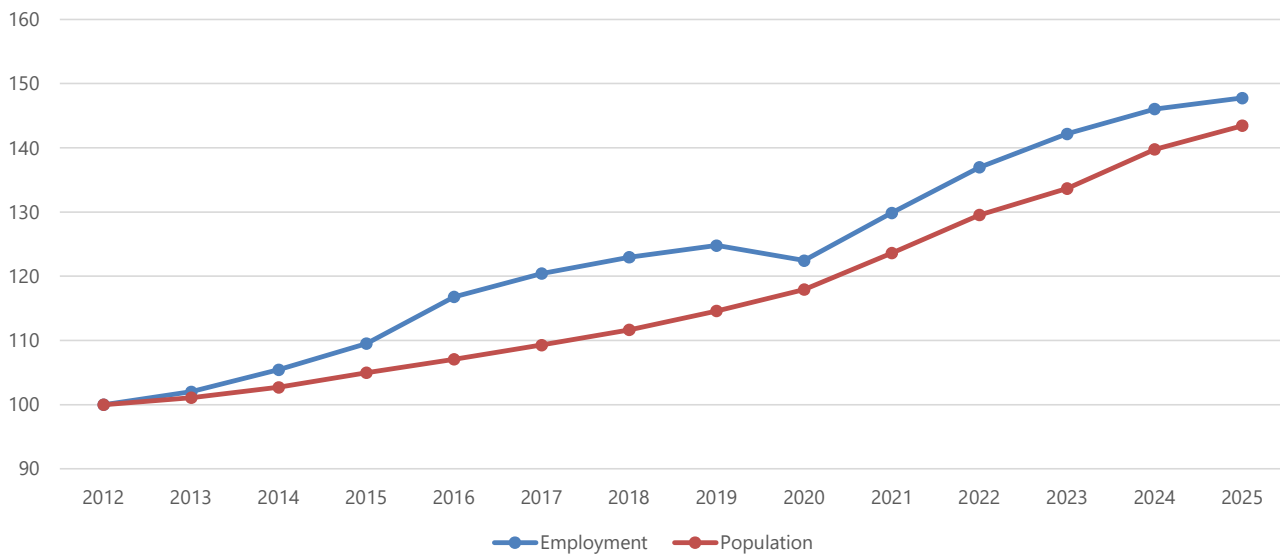
Year	Residential Real Property	Non-Residential Real Property	Tangible Personal Property	Total
2026	\$234,470,000	\$18,143,750	\$6,050,000	\$258,663,750
2027	\$478,318,800	\$37,013,250	\$12,342,000	\$527,674,050
2028	\$731,827,764	\$81,914,528	\$18,883,260	\$832,625,552
2029	\$995,285,759	\$125,944,031	\$25,681,234	\$1,146,911,024
2030	\$1,268,989,343	\$171,701,949	\$32,743,573	\$1,473,434,864
2031	\$1,553,242,956	\$219,239,805	\$40,078,133	\$1,812,560,894
2032	\$1,848,359,117	\$268,610,496	\$47,692,978	\$2,164,662,591
2033	\$2,154,658,628	\$308,034,056	\$55,596,386	\$2,518,289,070
2034	\$2,472,470,776	\$348,927,115	\$63,796,853	\$2,885,194,744
2035	\$2,802,133,546	\$391,332,683	\$72,303,100	\$3,265,769,329
2036	\$3,159,060,609	\$428,666,742	\$89,943,503	\$3,677,670,855
2037	\$3,529,143,902	\$467,337,631	\$108,260,601	\$4,104,742,134
2038	\$3,912,766,902	\$507,383,888	\$127,274,405	\$4,547,425,195
2039	\$4,310,323,165	\$548,845,061	\$147,005,457	\$5,006,173,683
2040	\$4,722,216,571	\$591,761,726	\$167,474,842	\$5,481,453,140
2041	\$5,148,861,585	\$633,080,024	\$188,704,200	\$5,970,645,808
2042	\$5,590,683,512	\$675,814,348	\$210,715,742	\$6,477,213,602
2043	\$6,048,118,772	\$720,004,814	\$233,532,264	\$7,001,655,850
2044	\$6,521,615,168	\$765,692,573	\$257,177,161	\$7,544,484,901
2045	\$7,011,632,173	\$812,919,839	\$281,674,440	\$8,106,226,453
2046	\$7,523,203,071	\$860,726,980	\$302,033,668	\$8,685,963,719
2047	\$8,052,432,152	\$910,121,238	\$323,094,595	\$9,285,647,984
2048	\$8,599,821,115	\$961,146,975	\$344,877,145	\$9,905,845,235
2049	\$9,165,884,663	\$1,013,849,694	\$367,401,760	\$10,547,136,116
2050	\$9,751,150,825	\$1,068,276,062	\$390,689,408	\$11,210,116,295
2051	\$10,356,161,279	\$1,124,473,946	\$414,761,601	\$11,895,396,827
2052	\$10,981,471,692	\$1,182,492,434	\$439,640,407	\$12,603,604,533
2053	\$11,627,652,056	\$1,242,381,872	\$465,348,460	\$13,335,382,388
2054	\$12,295,287,046	\$1,304,193,891	\$491,908,979	\$14,091,389,917
2055	\$12,984,976,375	\$1,367,981,438	\$519,345,780	\$14,872,303,593

Growth in Context

The planned Palm Coast Development represents a significant increase in residential and nonresidential development in Flagler County. This section is intended to provide context to the development associated with the development over the next 30 years. If recent growth trends in employment and population continue, the MPD will contribute to only a portion of the future growth over the next 30 years.

Population in Flagler County has grown from 97,837 in 2012 to 140,360 in 2025 - an annual growth rate of 2.8% or a 43% increase over the period. Employment in Flagler County grew from 19,337 in 2012 to 28,571 in 2025 or at a growth rate of 3.0% and an increase of 48% over the period. The graph below shows the indexed growth rate of both population and employment over the last 11 year years.

Figure 4. Population and Employment Indexed Growth, 2012=100



Source: Population data from University of Florida- Bureau of Economic and Business Research and US Census.

Employment data from Bureau of Labor Statistics Quarterly Census of Employment and Wages

The addition of 21,920 new residential units associated with the development is expected to support an increase of 56,392 new residents in the county. The development's buildout will occur over a 30-year period and result in an annual increase in population, households, and K-12 school students of approximately 1.1% per year.

The direct employment impact expected within the nonresidential space associated with the MPD is expected to support 13,292 new jobs in the county. This represents a 1.3% annual increase in employment in the county over the 30-year buildout period.

Table 16. Growth of Population and Employment Associated with Development

	2025	Development Impact	2025 plus Development Impact	Annual Growth Rate
Population	140,360	56,392	196,752	1.1%
Households	58,876	21,920	80,796	1.1%
K-12 Students	12,424	6,576	19,000	1.4%
Employment	28,571	13,292	41,863	1.3%

The graphs below illustrate the continued 2012-2025 growth trends for employment and population in the county. Additionally, the projected growth in employment and population associated with the development is shown as well. Although the development will result in significant increases in both employment and population in the county, the development will contribute only a portion of the county's projected growth over the next 30 years.

Figure 5. Employment Indexed Growth Projections, 2012=100

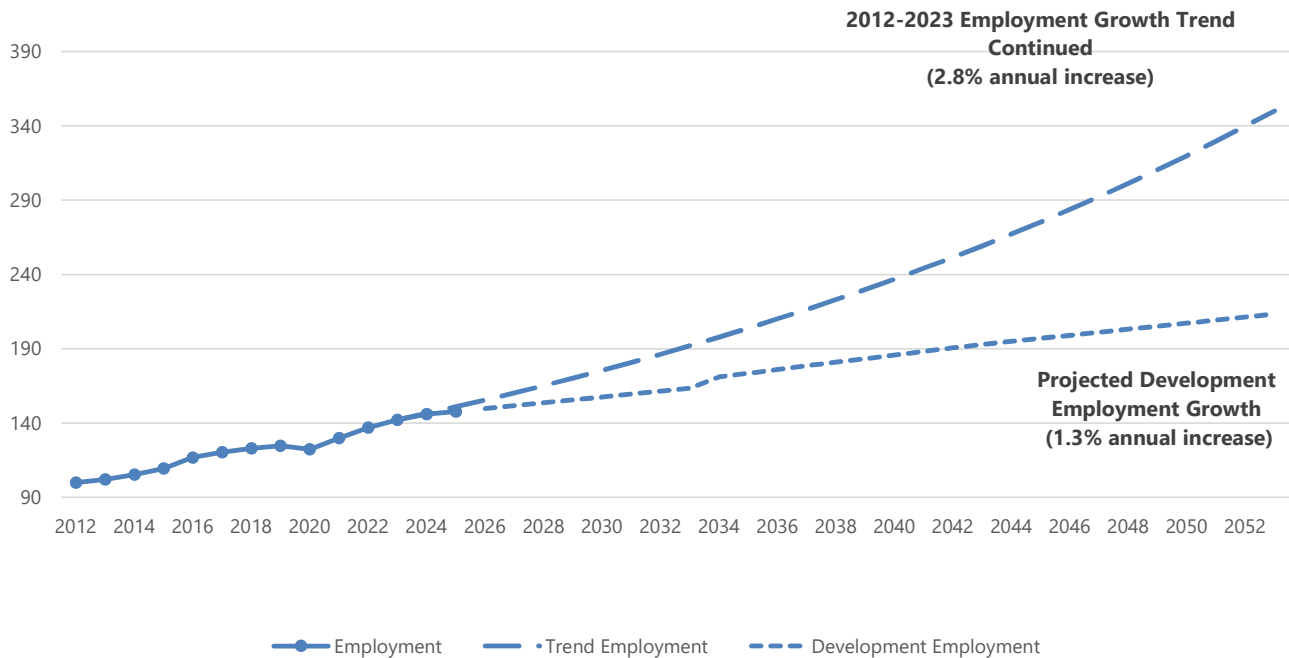
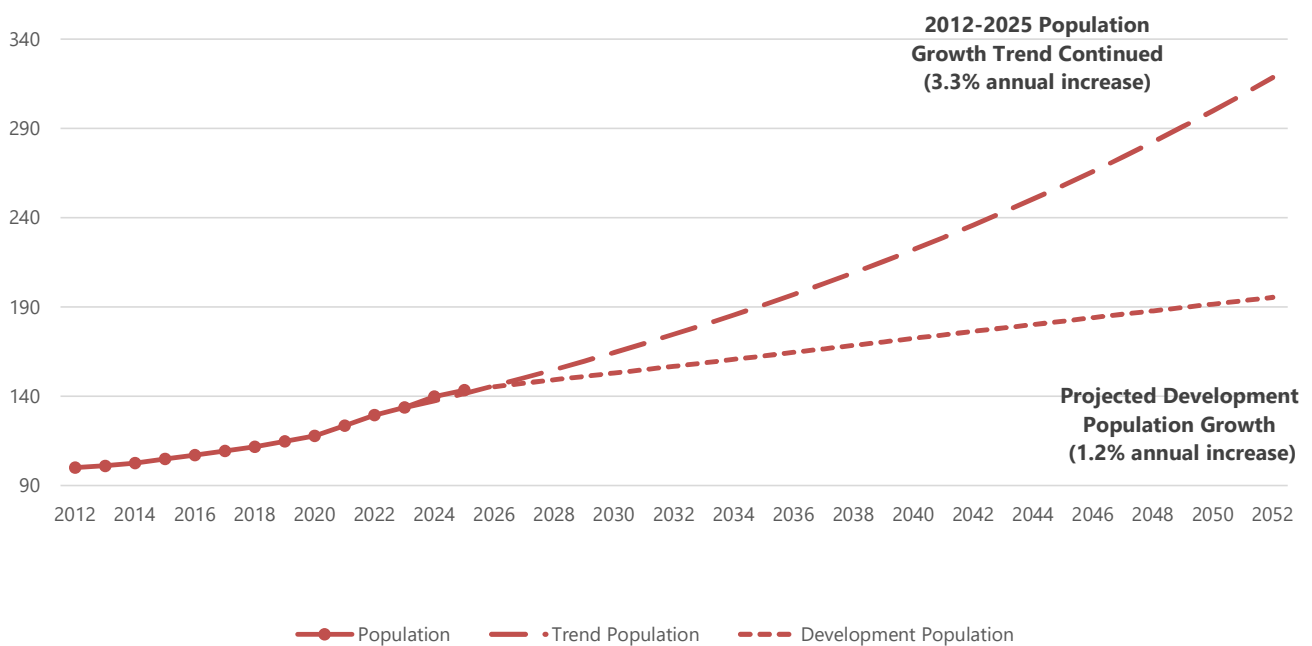


Figure 6. Population Indexed Growth Projections, 2012=100



The following table quantifies the annual growth in real property and tangible property within the county based on current taxable value and the projected taxable property to be added by the MPD over the next 30 years. In general, the growth in taxable value of new property is expected consistent with the growth rate of employment and population over the period.

Table 16. Growth of Taxable Value Associated with the Development

		Development	2025 plus Development	Annual
	2025	Impact	Impact	Growth Rate
Residential Real Property	\$12,655,583,056	\$12,984,976,375	\$25,640,559,431	2.38%
Non-Residential Real Property	\$1,305,540,781	\$1,367,981,438	\$2,673,522,219	2.42%
Tangible Personal Property	\$805,304,352	\$519,345,780	\$1,324,650,132	1.67%

Fiscal Impact Overview

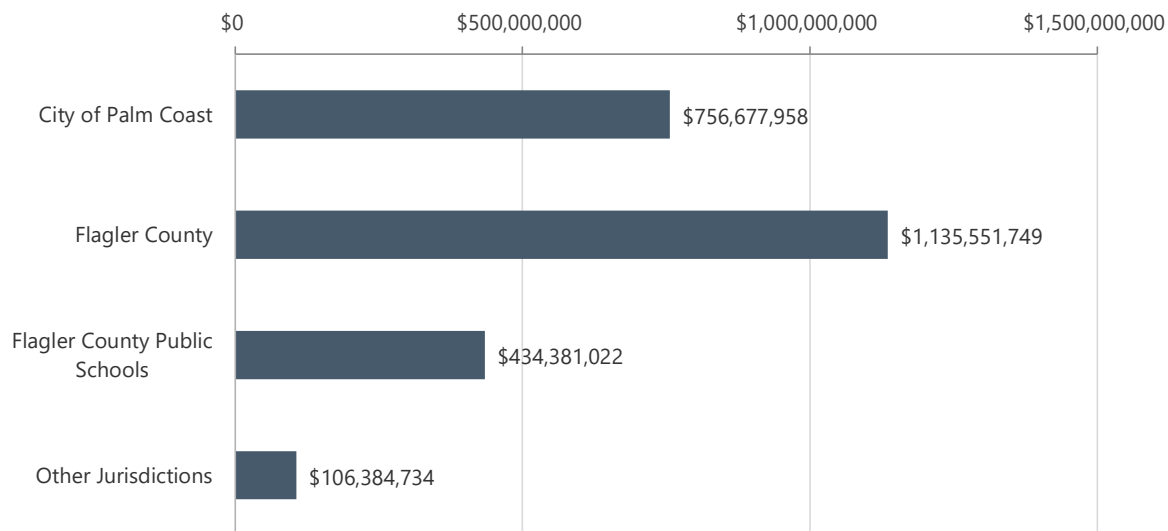
The MPD will generate additional benefits and costs for local taxing districts, a summary of which is provided below. The source of specific benefits and costs are provided in greater detail for each taxing district on subsequent pages. Overall, Flagler County is estimated to receive approximately \$1.1 billion in net benefits over the 30-year period and the MPD will generate \$2.4 billion in total for all local taxing districts.

Table 17. Fiscal Net Benefits Over the Next 30 Years for Local Taxing Districts

	Benefits	Costs	Net Benefits	Present Value of Net Benefits*
City of Palm Coast	\$1,587,665,932	(\$830,987,974)	\$756,677,958	\$341,127,775
Flagler County	\$2,124,018,990	(\$988,467,241)	\$1,135,551,749	\$514,187,776
Flagler County Public Schools	\$2,087,890,516	(\$1,653,509,494)	\$434,381,022	\$194,968,798
Other Jurisdictions	\$106,384,734	\$0	\$106,384,734	\$47,824,257
Total	\$5,905,960,172	(\$3,472,964,710)	\$2,432,995,462	\$1,098,108,606

* 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 4% to make the dollars comparable.

Figure 7. Net Benefits Over the Next 30 Years for Local Taxing Districts



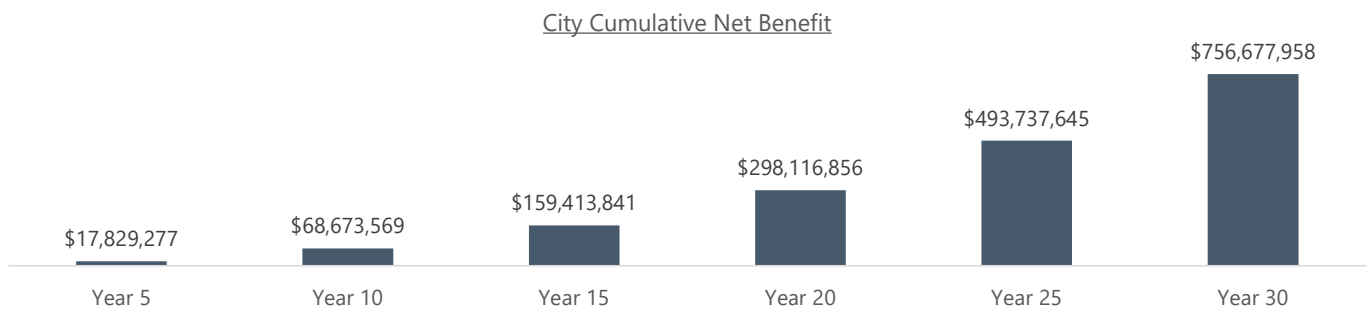
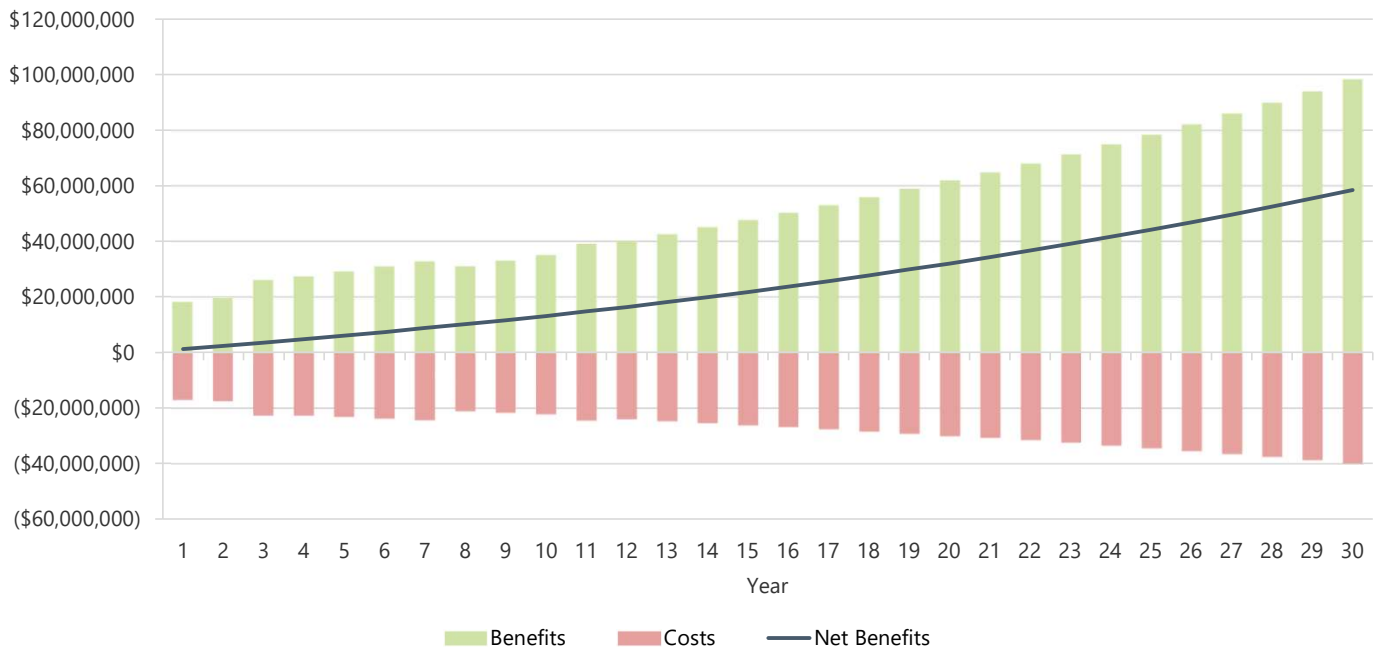
City of Palm Coast

The table below displays the estimated additional benefits, costs, and net benefits to be received by the city over the next 30 years of the MPD. Appendix C contains the year-by-year calculations.

Table 18. City of Palm Coast: Benefits, Costs, and Net Benefits Over the Next 30 Years

Benefits	Residential	Non-Residential	Total
Sales Taxes			
Construction Materials	\$6,249,768	\$1,456,413	\$7,706,180
Construction Workers' Spending	\$1,562,442	\$364,103	\$1,926,545
Purchases of TPP	\$0	\$506,015	\$506,015
On-going New Taxable Spending & Sales	\$39,693,664	\$7,392,533	\$47,086,197
<u>Sales Taxes Subtotal</u>	<u>\$47,505,874</u>	<u>\$9,719,064</u>	<u>\$57,224,937</u>
Property Taxes			
Multi-Family Residential - Real Property	\$42,967,361	\$0	\$42,967,361
Single Family Residential - Real Property	\$635,170,333	\$0	\$635,170,333
Commercial Property - Real Property	\$0	\$26,936,202	\$26,936,202
Industrial Property - Real Property	\$0	\$17,396,893	\$17,396,893
Office Property - Real Property	\$0	\$11,590,606	\$11,590,606
Hotel Property - Real Property	\$0	\$14,352,141	\$14,352,141
Other Property - Real Property	\$0	\$8,067,020	\$8,067,020
Non-Residential Tangible Personal Property	\$0	\$25,541,898	\$25,541,898
<u>Property Taxes Subtotal</u>	<u>\$678,137,694</u>	<u>\$103,884,760</u>	<u>\$782,022,455</u>
Impact Fees			
Fire & Rescue	\$20,648,640	\$9,853,919	\$30,502,559
Parks	\$69,354,880	\$0	\$69,354,880
Transportation	\$158,506,800	\$91,908,928	\$250,415,728
Water Capacity	\$64,711,440	\$0	\$64,711,440
Wastewater Capacity	\$81,905,520	\$0	\$81,905,520
Connection/Inspection	\$36,584,000	\$0	\$36,584,000
<u>Impact Fees Subtotal</u>	<u>\$431,711,280</u>	<u>\$101,762,847</u>	<u>\$533,474,127</u>
Miscellaneous Taxes & User Fees			
City Governmental Funds	\$172,407,222	\$42,537,191	\$214,944,413
<u>Miscellaneous Taxes & User Fees Subtotal</u>	<u>\$172,407,222</u>	<u>\$42,537,191</u>	<u>\$214,944,413</u>
<u>Subtotal Benefits</u>	<u>\$1,329,762,070</u>	<u>\$257,903,862</u>	<u>\$1,587,665,932</u>
Costs	Residential	Non-Residential	Total
Cost of City Services - Operating			
City Governmental Funds	(\$238,639,909)	(\$58,873,939)	(\$297,513,847)
Cost of City Services - Baseline Capital Costs			
	(\$431,711,280)	(\$101,762,847)	(\$533,474,127)
<u>Subtotal Costs</u>	<u>(\$670,351,189)</u>	<u>(\$160,636,785)</u>	<u>(\$830,987,974)</u>
Net Benefits	Residential	Non-Residential	Total
<u>Grand Total Net Benefits</u>	<u>\$659,410,882</u>	<u>\$97,267,076</u>	<u>\$756,677,958</u>
<i>Present Value (4% discount rate)</i>	<i>\$297,277,546</i>	<i>\$43,850,228</i>	<i>\$341,127,775</i>

Figure 8. Annual Fiscal Net Benefits for City of Palm Coast



Benefits

Sales Taxes - Construction Materials

Sales taxes on construction materials were calculated based on the effective city sales tax rate after accounting for distributions made by the county and the estimated spending on locally-purchased construction materials for the MPD. It is assumed that construction materials represent 50% of the total hard cost construction expenditure. Further, it is assumed that 50% of these construction materials will be purchased in Flagler County and subject to the county's local sales tax.

Sales Taxes - Construction Workers' Spending

Sales taxes on construction workers' spending were calculated based on the effective county sales tax rate after accounting for distributions made by the county and the estimated local spending by construction workers during the buildout of the MPD. It is assumed that construction labor spending represents 50% of the total hard cost construction expenditure. It is assumed that construction workers may spend 25% of their earnings on taxable goods and services. Finally, it is assumed that 50% of this taxable spending will take place in Flagler County.

Sales Taxes - Purchases of TPP

Sales taxes on purchases of tangible personal property were calculated based on the effective county sales tax rate after accounting for distributions made by the county and the estimated local purchases of tangible personal property by businesses occupying space at MPD. Tangible personal property is estimated at \$50 per square foot of non-residential development and 50% is assumed to be subject to the county's local sales tax rate. This analysis does not account for any additional purchases of tangible personal property after the initial year the property is occupied.

Sales Taxes - On-going New Taxable Spending & Sales

Sales taxes on the on-going new taxable spending and sales in the county are intended to reflect the sales tax generated by new households spending money in the county, new workers spending a portion of their new earnings in the county, and the sales by retail businesses locating in the commercial space of the MPD. It is very likely that some of the workers employed in non-residential space of the MPD may also represent new households in the county. In addition, these new workers and residents may spend money at the retail stores located in the MPD. In order to avoid double-counting of spending by new households, workers, and sales at the MPD, the sales taxes on on-going new taxable spending and sales in the county were estimated based on an average revenue approach based on the current sales taxes collected in the county and indexed to population and employment. The methodology relies on the assumption that sales taxes are supported by residential and commercial activity in the county. Appendix A shows more detail on the calculation.

Property Taxes

Property taxes are estimated based on the city's portion of the total millage rate and the estimated taxable property added in the county. The taxable value of real property varies by property type and is generally a percentage of the hard construction cost expenditure. The percentage of hard construction costs representing taxable value is based on the per square foot taxable value of similar property in the county.

Property taxes are also calculated on the estimated tangible personal property added and supported by businesses occupying the new non-residential space. The value of tangible personal property is estimated to be \$50 per square foot of non-residential space which is slightly less than the current amount of tangible personal property per non-residential square feet of development in the county.

Impact Fees

Impact fees are estimated based on the city's current impact fee schedule and the MPD's absorption schedule. This analysis does not account for any potential increase in impact fees over the 30-year buildout period.

Miscellaneous Taxes & User Fees

Miscellaneous taxes and user fees represent the other revenues the city may expect to collect beyond the sales and property taxes itemized above. The miscellaneous revenues generally represent revenues that Impact DataSource expects to increase with an increase in population and business activity in the county. Appendix A details the estimated per-household and per-worker revenues based on the city's governmental funds.

Costs*Cost of City Services - Operating*

The marginal cost of on-going city services was estimated to reflect the additional operating costs incurred by the city as a result of the increase in population and business activity in the city. Based on the expenditures in the city's governmental funds, Impact DataSource estimated a marginal per household and per worker to reflect the increased costs associated with the population and business growth. These calculations are detailed in Appendix A.

Cost of City Services - Baseline Capital Costs

The cost of capital improvements associated with the MPD are estimated to be equal to the city's current impact fees.

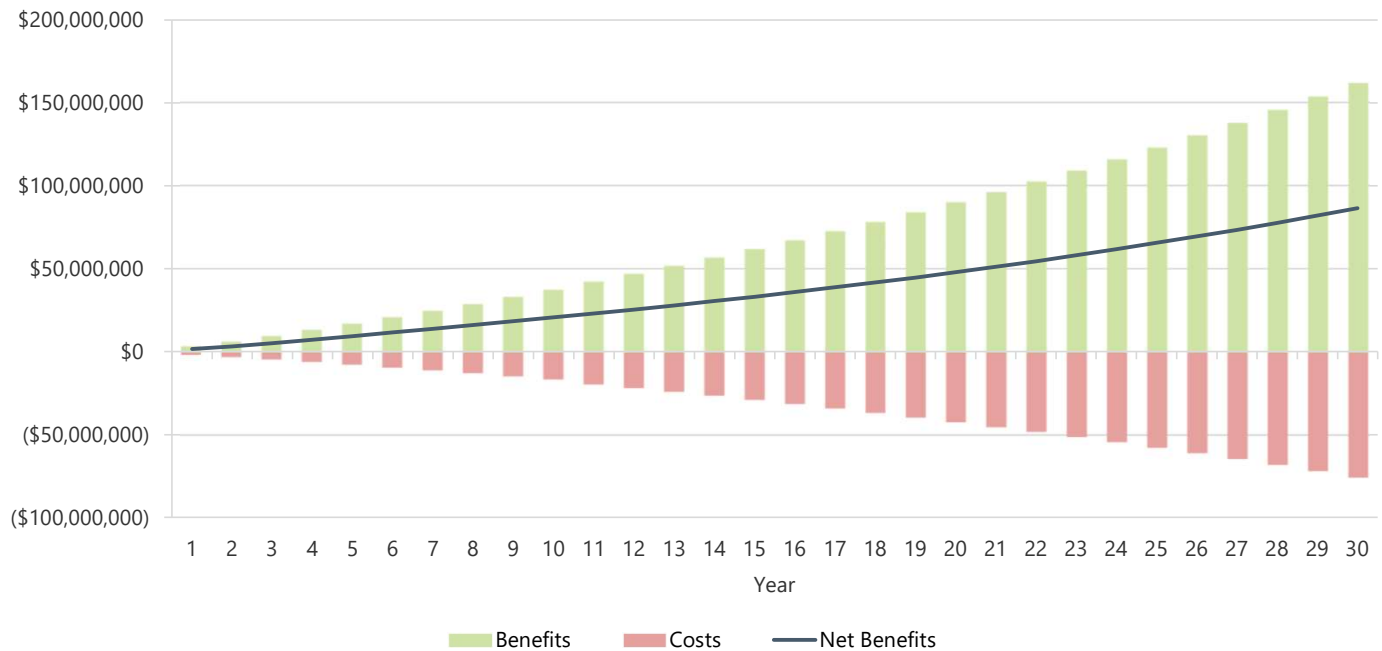
Flagler County

The estimated additional benefits, costs, and net benefits to be received by the county over the next 30 as a result of the MPD is shown below. Each revenue and cost is described on the following pages and Appendix C contains the year-by-year calculations.

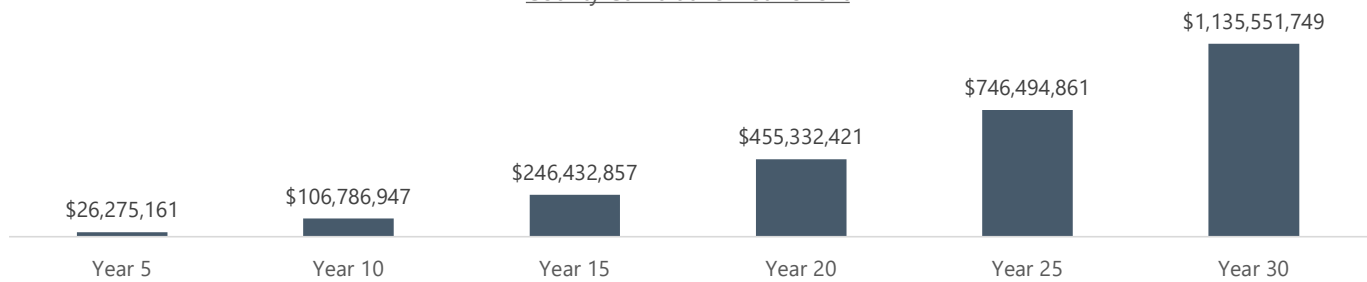
Table 19. Flagler County: Benefits, Costs, and Net Benefits Over the Next 30 Years

Benefits	Residential	Non-Residential	Total
Sales Taxes			
Construction Materials	\$5,749,787	\$1,339,900	\$7,089,686
Construction Workers' Spending	\$1,437,447	\$334,975	\$1,772,422
Purchases of TPP	\$0	\$465,534	\$465,534
On-going New Taxable Spending & Sales	\$36,518,171	\$6,801,130	\$43,319,301
<u>Sales Taxes Subtotal</u>	<u>\$43,705,404</u>	<u>\$8,941,538</u>	<u>\$52,646,942</u>
Property Taxes			
Multi-Family Residential - Real Property	\$85,949,432	\$0	\$85,949,432
Single Family Residential - Real Property	\$1,270,558,122	\$0	\$1,270,558,122
Commercial Property - Real Property	\$0	\$53,881,627	\$53,881,627
Industrial Property - Real Property	\$0	\$34,799,742	\$34,799,742
Office Property - Real Property	\$0	\$23,185,179	\$23,185,179
Hotel Property - Real Property		\$28,709,195	\$28,709,195
Other Property - Real Property		\$16,136,801	\$16,136,801
Non-Residential Tangible Personal Property	\$0	\$51,092,541	\$51,092,541
<u>Property Taxes Subtotal</u>	<u>\$1,356,507,554</u>	<u>\$207,805,086</u>	<u>\$1,564,312,640</u>
Impact Fees			
Library	\$5,616,560	\$0	\$5,616,560
Law & EMS	\$5,863,600	\$1,494,595	\$7,358,195
<u>Impact Fees Subtotal</u>	<u>\$11,480,160</u>	<u>\$1,494,595</u>	<u>\$12,974,755</u>
Tourist Development Taxes	\$0	\$78,463,319	\$78,463,319
Miscellaneous Taxes & User Fees			
General Fund	\$232,572,792	\$59,182,179	\$291,754,971
Nonmajor Governmental Funds	\$98,590,640	\$25,275,722	\$123,866,363
<u>Miscellaneous Taxes & User Fees Subtotal</u>	<u>\$331,163,432</u>	<u>\$84,457,902</u>	<u>\$415,621,334</u>
<u>Subtotal Benefits</u>	<u>\$1,742,856,550</u>	<u>\$381,162,440</u>	<u>\$2,124,018,990</u>
Costs	Residential	Non-Residential	Total
Cost of County Services - Operating			
General Fund	(\$621,373,830)	(\$158,127,385)	(\$779,501,215)
Nonmajor Governmental Funds	(\$156,228,245)	(\$39,763,027)	(\$195,991,272)
<u>Cost of County Services - Operating Subtotal</u>	<u>(\$777,602,075)</u>	<u>(\$197,890,412)</u>	<u>(\$975,492,487)</u>
Cost of County Services - Baseline Capital Costs	(\$11,480,160)	(\$1,494,595)	(\$12,974,755)
<u>Subtotal Costs</u>	<u>(\$789,082,235)</u>	<u>(\$199,385,006)</u>	<u>(\$988,467,241)</u>
Net Benefits	Residential	Non-Residential	Total
<u>Grand Total Net Benefits</u>	<u>\$953,774,315</u>	<u>\$181,777,434</u>	<u>\$1,135,551,749</u>
<i>Present Value (4% discount rate)</i>	<i>\$431,877,362</i>	<i>\$82,310,414</i>	<i>\$514,187,776</i>

Figure 9. Annual Fiscal Net Benefits for Flagler County



County Cumulative Net Benefit

**Benefits***Sales Taxes - Construction Materials*

Sales taxes on construction materials were calculated based on the effective county sales tax rate after accounting for distributions made to municipalities and the estimated spending on locally-purchased construction materials for the MPD. It is assumed that construction materials represent 50% of the total hard cost construction expenditure. Further, it is assumed that 50% of these construction materials will be purchased in Flagler County and subject to the county's local sales tax.

Sales Taxes - Construction Workers' Spending

Sales taxes on construction workers' spending were calculated based on the effective county sales tax rate after accounting for distributions made to municipalities and the estimated local spending by construction workers during the buildout of the MPD. It is assumed that construction labor spending represents 50% of the total hard cost construction expenditure. It is assumed that construction workers may spend 25% of their earnings on taxable goods and services. Finally, it is assumed that 50% of this taxable spending will take place in Flagler County.

Sales Taxes - Purchases of TPP

Sales taxes on purchases of tangible personal property were calculated based on the effective county sales tax rate after accounting for distributions made to municipalities and the estimated local purchases of tangible personal property by businesses occupying space in the MPD. Tangible personal property is estimated at \$50 per square foot of non-residential development and 50% is assumed to be subject to the county's local sales tax rate. This analysis does not account for any additional purchases of tangible personal property after the initial year the property is occupied.

Sales Taxes - On-going New Taxable Spending & Sales

Sales taxes on the on-going new taxable spending and sales in the county are intended to reflect the sales tax generated by new households spending money in the county, new workers spending a portion of their new earnings in the county, and the sales by retail businesses locating in the commercial space of the MPD. It is very likely that some of the workers employed in non-residential space of the MPD may also represent new households in the county. In addition, these new workers and residents may spend money at the retail stores located in the MPD. In order to avoid double-counting of spending by new households, workers, and sales at the MPD, the sales taxes on on-going new taxable spending and sales in the county were estimated based on an average revenue approach based on the current sales taxes collected in the county and indexed to population and employment. The methodology relies on the assumption that sales taxes are supported by residential and commercial activity in the county. Appendix A shows more detail on the calculation.

Property Taxes

Property taxes are estimated based on the county's portion of the total millage rate (inclusive of the operating and voted millage rates) and the estimated taxable property added in the county. The taxable value of real property varies by property type and is generally a percentage of the hard construction cost expenditure. The percentage of hard construction costs representing taxable value is based on the per square foot taxable value of similar property in the county.

Property taxes are also calculated on the estimated tangible personal property added and supported by businesses occupying the new non-residential space. The value of tangible personal property is estimated to be \$50 per square foot of non-residential space which is slightly less than the current amount of tangible personal property per non-residential square feet of development in the county.

Impact Fees

Impact fees are estimated based on the county's current impact fee schedule and the MPD's absorption schedule. This analysis does not account for any potential increase in impact fees over the 30-year buildout period.

Tourist Development Taxes

Tourist development taxes are estimated based on the county's tourist development tax rate and estimated lodging sales at new hotels included in the development.

Miscellaneous Taxes & User Fees

Miscellaneous taxes and user fees represent the other revenues the county may expect to collect beyond the taxes and impact fees itemized above. The miscellaneous revenues generally represent revenues that Impact DataSource expects to increase with an increase in population and business activity in the county. Appendix A details the estimated per-household and per-worker revenues based on the county's general fund and nonmajor governmental funds.

Costs*Cost of County Services - Operating*

The marginal cost of on-going county services was estimated to reflect the additional operating costs incurred by the county as a result of the increase in population and business activity in the county. Based on the expenditures in the county's general fund, nonmajor governmental funds, Impact DataSource estimated a marginal per household and per worker to reflect the increased costs associated with the population and business growth. These calculations are detailed in Appendix A.

Cost of County Services - Baseline Capital Costs

The cost of capital improvements associated with the MPD are estimated to be equal to the county's current impact fees.

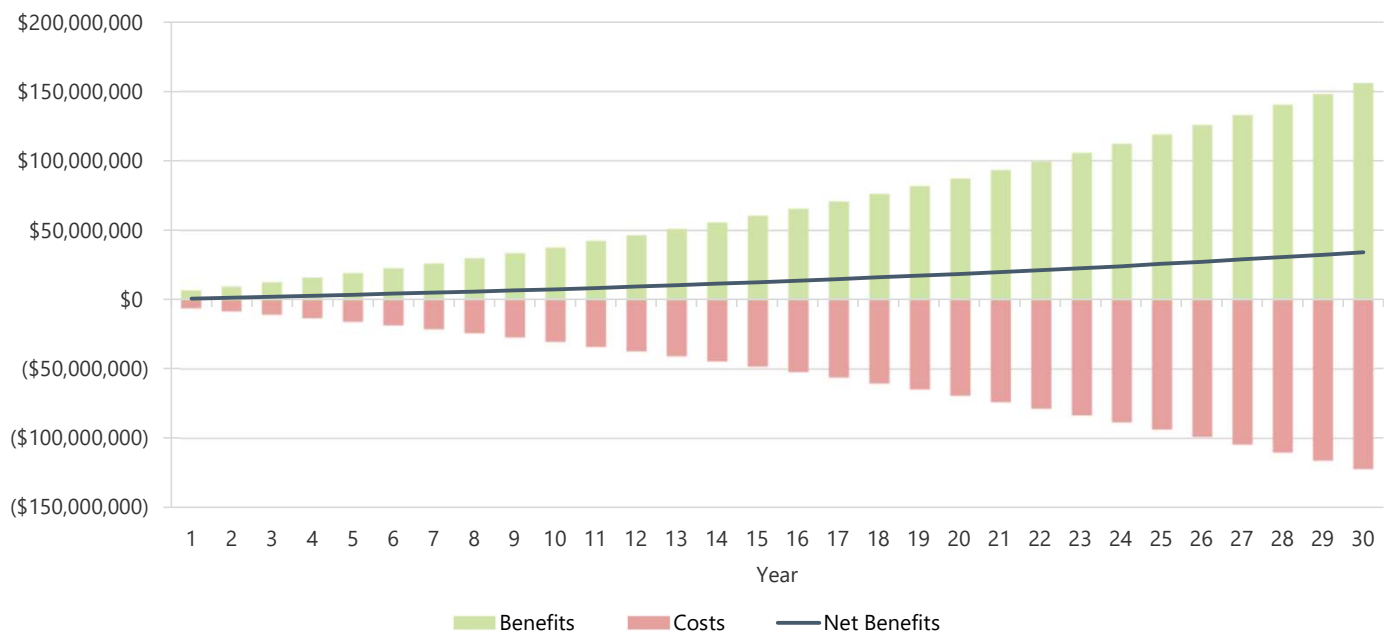
Flagler County Public Schools

The table below displays the estimated additional benefits, costs, and net benefits to be received by the school district over the next 30 years of the MPD. Appendix C contains the year-by-year calculations.

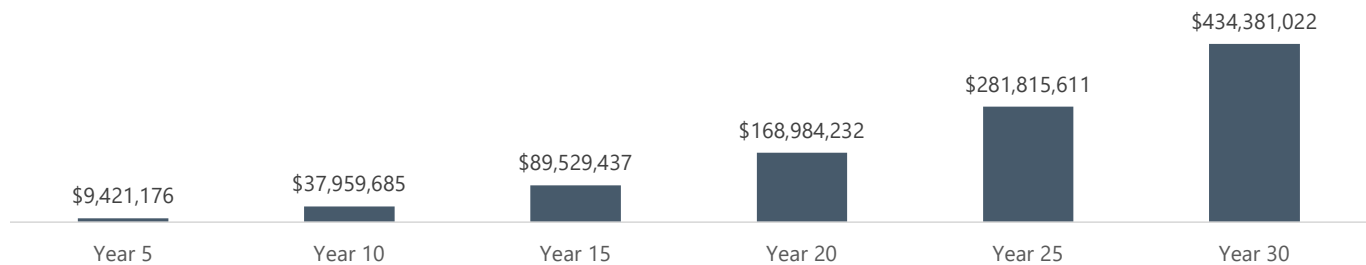
Table 20. Flagler County Public Schools: Benefits, Costs, and Net Benefits Over the Next 30 Years

Benefits	Residential	Non-Residential	Total
Sales Taxes			
Construction Materials	\$12,499,536	\$2,912,825	\$15,412,361
Construction Workers' Spending	\$3,124,884	\$728,206	\$3,853,090
Purchases of TPP	\$0	\$1,012,030	\$1,012,030
On-going New Taxable Spending & Sales	\$79,387,327	\$14,785,066	\$94,172,393
<u>Sales Taxes Subtotal</u>	<u>\$95,011,747</u>	<u>\$19,438,127</u>	<u>\$114,449,874</u>
Property Taxes			
Multi-Family Residential - Real Property	\$56,203,363	\$0	\$56,203,363
Single Family Residential - Real Property	\$830,833,178	\$0	\$830,833,178
Commercial Property - Real Property	\$0	\$35,233,841	\$35,233,841
Industrial Property - Real Property	\$0	\$22,755,968	\$22,755,968
Office Property - Real Property	\$0	\$15,161,067	\$15,161,067
Hotel Property - Real Property	\$0	\$18,773,287	\$18,773,287
Other Property - Real Property	\$0	\$10,552,048	\$10,552,048
Non-Residential Tangible Personal Property	\$0	\$33,410,025	\$33,410,025
<u>Property Taxes Subtotal</u>	<u>\$887,036,541</u>	<u>\$135,886,235</u>	<u>\$1,022,922,777</u>
Impact Fees			
Education	\$111,284,000	\$0	\$111,284,000
<u>Impact Fees Subtotal</u>	<u>\$111,284,000</u>	<u>\$0</u>	<u>\$111,284,000</u>
Additional State and Federal Funding	\$839,233,865	\$0	\$839,233,865
<u>Subtotal Benefits</u>	<u>\$1,932,566,153</u>	<u>\$155,324,363</u>	<u>\$2,087,890,516</u>
Costs	Residential	Non-Residential	Total
Cost of Educating New Students - Operating	(\$1,140,921,224)	\$0	(\$1,140,921,224)
Cost of School Facilities - Baseline Capital Costs	(\$407,118,525)	(\$105,469,745)	(\$512,588,270)
<u>Subtotal Costs</u>	<u>(\$1,548,039,749)</u>	<u>(\$105,469,745)</u>	<u>(\$1,653,509,494)</u>
Net Benefits	Residential	Non-Residential	Total
<u>Grand Total Net Benefits</u>	<u>\$384,526,404</u>	<u>\$49,854,618</u>	<u>\$434,381,022</u>
<i>Present Value (4% discount rate)</i>	<i>\$172,591,912</i>	<i>\$22,376,887</i>	<i>\$194,968,798</i>

Figure 10. Annual Fiscal Net Benefits for Flagler County Public Schools



School District Cumulative Net Benefit



Benefits

Sales Taxes - Construction Materials

Sales taxes on construction materials were calculated based on the school district's portion of the local sales tax rate and the estimated spending on locally-purchased construction materials for the MPD. It is assumed that construction materials represent 50% of the total hard cost construction expenditure. Further, it is assumed that 50% of these construction materials will be purchased in Flagler County and subject to the county's local sales tax.

Sales Taxes - Construction Workers' Spending

Sales taxes on construction workers' spending were calculated based on the school district's portion of the local sales tax rate and the estimated local spending by construction workers during the buildout of the MPD. It is assumed that construction labor spending represents 50% of the total hard cost construction expenditure. It is assumed that construction workers may spend 25% of their earnings on taxable goods and services. Finally, it is assumed that 50% of this taxable spending will take place in Flagler County.

Sales Taxes - Purchases of TPP

Sales taxes on purchases of tangible personal property were calculated based on the school district's portion of the local sales tax rate and the estimated local purchases of tangible personal property by businesses occupying space at MPD. Tangible personal property is estimated at \$50 per square foot of non-residential development and 50% is assumed to be subject to the local sales tax rate. This analysis does not account for any additional purchases of tangible personal property after the initial year the property is occupied.

Sales Taxes - On-going New Taxable Spending & Sales

Sales taxes on the on-going new taxable spending and sales in the county are intended to reflect the sales tax generated by new households spending money in the county, new workers spending a portion of their new earnings in the county, and the sales by retail businesses locating in the commercial space of the MPD. It is very likely that some of the workers employed in non-residential space of the MPD may also represent new households in the county. In addition, these new workers and residents may spend money at the retail stores located in the MPD. In order to avoid double-counting of spending by new households, workers, and sales at the MPD, the sales taxes on on-going new taxable spending and sales in the county were estimated based on an average revenue approach based on the current sales taxes collected in the county and indexed to population and employment. The methodology relies on the assumption that sales taxes are supported by residential and commercial activity in the county. Appendix A shows more detail on the calculation.

Property Taxes

Property taxes are estimated based on the school district's portion of the total millage rate (inclusive of the basic discretionary, capital outlay, and required local effort) and the estimated taxable property added in the county. The taxable value of real property varies by property type and is generally a percentage of the hard construction cost expenditure. The percentage of hard construction costs representing taxable value is based on the per square foot taxable value of similar property in the county.

Property taxes are also calculated on the estimated tangible personal property added and supported by businesses occupying the new non-residential space. The value of tangible personal property is estimated to be \$50 per square foot of non-residential space which is slightly less than the current amount of tangible personal property per non-residential square feet of development in the county.

Impact Fees

Impact fees are estimated based on the county's current impact fee schedule and the MPD's absorption schedule. This analysis does not account for any potential increase in impact fees over the 30-year buildout period.

Additional State and Federal Funding

Additional state and federal funding for the school district represents the additional revenues the school may expect to receive as a result of the increase in enrollment in the district. Appendix A details the estimated per-student revenue based on the school district's latest enrollment and budget.

Costs*Cost of Educating New Students - Operating*

The marginal cost of educating new students to the school district is estimated based on current school expenditures and enrollment. Appendix A details the estimated per-student marginal cost of educating students. The analysis assumes the marginal cost is equal to 60% of the current average cost.

Cost of School Facilities - Baseline Capital Costs

The cost of capital improvements associated with the MPD are estimated to be equal to the schools current education impact fees and the school capital outlay portions of the property tax rate and sales tax rate.

Other Jurisdictions

The table below displays the estimated additional benefits, costs, and net benefits to be received by the water management district and inland navigation district over the next 30 years of the MPD. Appendix C contains the year-by-year calculations.

Table 21. Other Jurisdictions: Benefits, Costs, and Net Benefits Over the Next 30 Years

Benefits	Residential	Non-Residential	Total
Property Taxes			
Multi-Family Residential - Real Property	\$5,845,192	\$0	\$5,845,192
Single Family Residential - Real Property	\$86,407,272	\$0	\$86,407,272
Commercial Property - Real Property	\$0	\$3,664,346	\$3,664,346
Industrial Property - Real Property	\$0	\$2,366,638	\$2,366,638
Office Property - Real Property	\$0	\$1,576,762	\$1,576,762
Hotel Property - Real Property		\$1,952,436	\$1,952,436
Other Property - Real Property		\$1,097,421	\$1,097,421
Non-Residential Tangible Personal Property	\$0	\$3,474,668	\$3,474,668
<u>Property Taxes Subtotal</u>	<u>\$92,252,464</u>	<u>\$14,132,270</u>	<u>\$106,384,734</u>
<u>Subtotal Benefits</u>	<u>\$92,252,464</u>	<u>\$14,132,270</u>	<u>\$106,384,734</u>
Costs	Residential	Non-Residential	Total
None Estimated	\$0	\$0	\$0
<u>Subtotal Costs</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net Benefits	Residential	Non-Residential	Total
<u>Grand Total Net Benefits</u>	<u>\$92,252,464</u>	<u>\$14,132,270</u>	<u>\$106,384,734</u>
<i>Present Value (4% discount rate)</i>	<i>\$41,471,228</i>	<i>\$6,353,029</i>	<i>\$47,824,257</i>

Benefits

Property Taxes

Property taxes are estimated based on the water management and inland navigation districts' portion of the total millage rate and the estimated taxable property added in the county. The taxable value of real property varies by property type and is generally a percentage of the hard construction cost expenditure. The percentage of hard construction costs representing taxable value is based on the per square foot taxable value of similar property in the county.

Property taxes are also calculated on the estimated tangible personal property added and supported by businesses occupying the new non-residential space. The value of tangible personal property is estimated to be \$50 per square foot of non-residential space which is slightly less than the current amount of tangible personal property per non-residential square feet of development in the county.

Costs

The water management district and inland navigation district may incur additional costs due to the MPD; however, this analysis does not estimate these costs.

Overview of Methodology

This report presents the results of an analysis undertaken by Impact DataSource, an Austin, TX based economic consulting firm with considerable experience in Florida. The analysis relies on prospective estimates of development and business activity that may not be realized. Impact DataSource and the Client made reasonable efforts to ensure that the project-specific data reflects realistic estimates of future activity.

The model combines project-specific attributes with community data, tax rates, and assumptions to estimate the economic impact of the MPD and the fiscal impact for local taxing districts over a 30-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 development. Second, this economic impact analysis calculates the indirect and induced impacts that result from the development. 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 development. 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 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 fiscal impacts calculated in this report are detailed in Appendix C. Most of the revenues estimated in this study result from calculations relying on (1) attributes of the development, (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 developer was not asked, nor could reasonably provide data for calculating some other revenues. For example, while the county 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 development 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 the county 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 development.

Additionally, this analysis seeks to calculate the impact on the school district's finances from the development by generally, and at a summary level, mimicking the district's school funding formula.

However, the school district will receive federal and state aid for each new child that moves to the District. The additional revenues for the school district are calculated in this analysis.

About Impact DataSource

Impact DataSource is an Austin economic consulting, research, and analysis firm founded in 1993. The firm has conducted over 3,500 economic impact analyses of firms, projects, and activities in most industry groups in Florida and more than 30 other states.

In addition, Impact DataSource has prepared and customized more than 100 economic impact models for its clients to perform their own analyses of economic development projects. These clients include the Orlando Economic Partnership, Charlotte County, Florida and other Florida cities and counties.