



the John Scott Dailey

FLORIDA
INSTITUTE OF
GOVERNMENT

at the University of South Florida

THE ECONOMIC IMPACT OF THE HARDEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY FROM 2006–2011

Prepared for:

Hardee County Industrial Development Authority

107 E. Main Street

Wauchula, Florida 33873

October 28, 2013

TABLE OF CONTENTS

Executive Summary	3
Overview	
Projects.....	8
Discussion of Economic and Fiscal Impacts.....	8
Analysis of Economic Impact from 2006 through 2011	
Construction Impacts.....	10
Economic Impacts from Projects Supported.....	11
Employment and Workers' Earnings.....	11
Economic Output.....	12
Cumulative Impact on Economic Output.....	13
Taxable Sales.....	14
Property on Local Tax Rolls.....	15
Analysis of Fiscal Impact from 2006 through 2011	
Tax Rates Used in the Analysis.....	17
Sales Tax Collections.....	18
Property Tax Collections.....	18
Total Fiscal Impact for Local Taxing Districts.....	19
Projected Long-Term Impacts	
Economic Impact Over 10 Years.....	20
Fiscal Impact Over 10 Years.....	21
Conclusions	
Conclusions and Perspective.....	22
Methodology	
Conduct of the Analysis.....	23
About FIOG Consultant Impact DataSource.....	23
Appendix A	
Data & Rates.....	24

EXECUTIVE SUMMARY

Introduction

The Hardee County Industrial Development Authority (IDA) contracted with the University of South Florida-Florida Institute of Government (FIOG) consultant Impact DataSource to conduct an Economic Development Performance Report of the economic and fiscal impact of the IDA's economic activities over the past six years.

This report presents the results of an economic impact analysis performed by FIOG Consultant Impact DataSource, an Austin, Texas economic consulting, research and analysis firm. This report estimates the annual and cumulative economic and fiscal impacts that resulted from projects supported by the Hardee County Industrial Development Authority (IDA) from 2006 through 2011.

Hardee County Industrial Development Authority

The Hardee County IDA's purpose is to foster economic development and diversification through job creation, facilitation of infrastructure development, and growing the tax base. The IDA receives private funds from land sales, fruit income, rental income from buildings that the IDA owns in the industrial park, and from the Mosaic (Phosphate) Agreement. The IDA also receives public funds from Economic Development Authority grants. The IDA owns a 264 Acre Commerce Park which opened in 2005 and it generates revenue from land transactions. The IDA is comprised of a 13 member board appointed by the Hardee County Commission. The IDA provides incentives to businesses that will benefit Hardee County. Appointment or removal of board members is the extent of oversight the County Commission has over the IDA board.

Background of Economic Development in Hardee County from the IDA's Financial Statement

Over a decade ago Hardee County was designated a Rural Area of Critical Economic Concern (RACEC) by the Governor of the State and the Florida legislature. This designation caused by factors such as perennial high unemployment, dubious pinnacle rankings in poverty and teen pregnancy was sufficient evidence to compel the legislature to create the Hardee County Economic Development Authority in 2004.

In August of 2004, just as the County was preparing to initiate deployment of the newly created Economic Development Authority, Hurricane Charley dealt a devastating blow to the region. The affects on the local economy had a two tiered impact. Initially, the insurance and government support money related to the hurricane bolstered the County's economy artificially. By 2007 the "lift" provided by the storm had begun to subside and the impacts of the national economic downturn had exacerbated the local economic circumstances. The urgency to foster economic development and create diversity was significantly heightened by these events.

The legislative directive to the Hardee County Economic Development Authority was to solicit, rank and fund job creation and infrastructure projects in Hardee County.

Economic development funds have been used primarily to fund infrastructure such as water for drinking, irrigation and fire suppression, waste water treatment and effluent disposal, a Commerce Park to recruit businesses and other ancillary attributes such as storm water systems and roads. These investments have led to the recruitment of businesses and job creation that otherwise would not have occurred in the County, certainly not in the recent time frames of the last several years.

The Hardee County Industrial Development Authority is the primary conduit for the deployment of grant monies provided by the Hardee County Economic Development Authority.

Additionally, the Board of County Commissioners issued a Development Order (South Fort Meade Mine Extension) that includes a FS Chapter 163 Development Agreement. The basis for this agreement is predicated on the County's

EXECUTIVE SUMMARY

Comprehensive Plan to deal with previously recognized impacts from mining, both in the past and expected in the future.

This Comprehensive Plan, appropriate components and ensuing “elements” does not debate “pro mining” or “no mining” arguments. It simply states that the presence of mining must have economic alleviation for the impacts of mining. The County recognizes and welcomes the positive economic impacts from mining but also realizes the potential for a calamitous void in its economy when mining is complete.

Generally, environmental mitigation/restoration is easier to understand than economic mitigation for the average person. It is physical and tangible. Economic mitigation/replacement is far more subjective and less visible and possibly more difficult to achieve.

It is generally anticipated the footprint of mining will grow substantially, along with the necessity of “clay settling areas” over time and because of this, the traditional agricultural economy will grow weaker and weaker. It is imperative for many aspects of Hardee County’s traditions, values and economic components to successfully mitigate for the post mining scenario prior to post-mining actually occurring. The necessity for various components does not intend on impugning the mining company as the sole cause of the potential for economic blight but certainly asserts mining has exacerbating effects, especially in the intermediate and long term scenario.

Property owner rights are a “double-edged sword.” Comprehensive, un-mitigated approval of the mining process without consideration for the mine’s impact on the adjacent owners and local economy can be just as unfair as unduly restricting the company(s) from mining reserves.

The Mosaic Company has entered into an agreement contained in the FS 163 agreement that assures funding for simultaneous development of economies and markets that replace those lost to the ultimate closing of the mines and it is this income stream, along, with the aforementioned grants from the Hardee County Economic Development Authority that Hardee County anticipates removing the RACEC moniker. This stewardship of this agreement, inclusive of administrative costs, is delegated to the Hardee County Industrial Development Authority. It totals \$42 million, will initiate once all permits and litigation are completed and will be disbursed over the life of the “South Fort Meade Extension” mine.

The Hardee County Industrial Development Authority continues implementing stewardship of grants from the Hardee County Economic Development Authority in order to prepare its economy and its citizens for “globalization”.

The Hardee Broadband Project is being deployed to provide ubiquitous broadband coverage, both middle mile and last mile to the entire 600 square miles of rural area in the county. It is anticipated this newest infrastructure project will give rural Hardee County citizens opportunity and convenience that otherwise would be unavailable in rural Florida. Additionally, this project is being offered as an “in-kind” match to the Florida Rural Broadband Alliance to meet the requirements of a \$22 million dollar grant for “middle mile” broadband infrastructure in 15 rural Florida Counties.

This infrastructure investment will further advance Florida and America in our efforts to adjust to the new competitive dynamics created with globalization. Conventional urban intellect takes for granted, just as fire suppression and high speed internet issues, the “hurdles” created by lack of generally available urban infrastructure in rural areas.

The Hardee Commerce Park continues to develop with the assistance of Hardee County Economic Development

EXECUTIVE SUMMARY

Authority grants. The Mosaic Company continues to struggle with permitting issues with its South Fort Meade Mine Extension in Federal Court, thus delaying deployment of the Mosaic/IDA Economic Terms revenue. CF Industries continues to mine strong, thus providing the sole source of revenue for the Hardee County Economic Development Authority to provide grants.

Economic Impact Summary from 2006 through 2011

The Hardee County Industrial Development Authority supported several projects from 2006 through 2011. These projects result in a significant on-going economic impact on the area and help diversify the County's economy. The table below shows the cumulative increase in revenues for area businesses, or economic output, over the period. By 2011, the firms supported by the Authority over the last six years generated direct, indirect and induced revenues for area businesses of \$161.3 million.

Estimated Cumulative Increase in Economic Output by New Firms			
Year	Direct Economic Output	Indirect & Induced Economic Output	Total Economic Output
2006	\$15,731,613	\$2,909,981	\$18,641,594
2007	\$16,188,181	\$2,994,435	\$19,182,616
2008	\$16,547,065	\$3,060,820	\$19,607,885
2009	\$16,721,859	\$3,093,153	\$19,815,012
2010	\$30,212,626	\$6,389,809	\$36,602,435
2011	\$39,572,563	\$7,852,951	\$47,425,515
Total	\$134,973,908	\$26,301,149	\$161,275,057

A total of 133 direct permanent jobs were created by these businesses. In total, 181 permanent direct, indirect and induced jobs were created by these businesses in Hardee County as shown in the table below. Over the six-year period, it is projected that these employees were paid approximately \$37.9 million in workers' earnings.

Total Impact on Employment & Workers' Earnings 2006–2011			
	Direct	Indirect & Induced	Total
Permanent Jobs Created from 2006 to 2011	133	48	181
Cumulative Workers' Earnings (millions)	\$29.7	\$8.2	\$37.9

Employment in Hardee County increased from 7,254 to 7,646 or 392 workers from 2006 through 2011. Employment by firms directly supported by the Hardee County IDA (133 jobs) account for 34% of the County's employment increase. Including the indirect and induced job creation by supported projects, Hardee County IDA's activity accounts for 46% of the County's total increase in employment.

Taxable Spending

The projects supported by the IDA created additional taxable spending in the county. The construction activity associated with these new capital investments results in taxable sales from the purchase of materials as well as taxable sales in the spending by temporary construction workers. Permanent direct, indirect & induced workers also generated local taxable sales in the county. The table below summarizes the total local taxable sales resulting from the projects under review.

EXECUTIVE SUMMARY

Total Local Taxable Sales During Construction & from New Workers			
Year	Local Taxable Spending from Construction	Local Taxable Spending by New Workers	Total Taxable Spending
2006	\$183,750	\$166,679	\$350,429
2007	\$0	\$171,517	\$171,517
2008	\$0	\$175,319	\$175,319
2009	\$0	\$177,171	\$177,171
2010	\$286,125	\$281,130	\$567,255
2011	\$24,150	\$344,899	\$369,049

The businesses added industrial and commercial property to the tax rolls during the period as well. In addition, a portion of new workers were projected to have built new homes in the county, adding residential property to the local tax rolls.

Value of Taxable Property Added to Tax Rolls by 2011			
	Industrial / Commercial Property	Residential Property	Total
Value of New Taxable Property in 2011	\$6,710,000	\$204,038	\$6,914,038

Fiscal Impact Summary from 2006 through 2011

The economic impacts described above translate into fiscal impacts for Hardee County, the school district and other local taxing districts. The Hardee County Industrial Development Authority's projects generated \$493,365 in additional tax revenue for these local taxing districts. The additional revenue is summarized in the table below.

Total Additional Revenue for Local Taxing Districts Generated by Supported Projects from 2006–2011			
	Sales Tax Collections	Property Tax Collections	Total
Hardee County	\$18,107	\$233,842	\$251,949
Hardee County Public Schools	\$0	\$216,019	\$216,019
Peace River Water District	\$0	\$5,112	\$5,112
Healthcare District	\$0	\$9,486	\$9,486
SWFWMD	\$0	\$10,799	\$10,799
Total	\$18,107	\$475,258	\$493,365

EXECUTIVE SUMMARY

Revenues Generated by Hardee County IDA Activities

In addition to the tax revenues generated by the businesses assisted by the Hardee County IDA, the IDA generates revenues for itself through land sale, rental income, and fruit income. Additionally, the Mosaic Agreement provides significant revenues for the IDA.

Hardee County IDA Revenue					
Year	Land Sales	Rental Income	Fruit Sales	Mosaic Agreement	Total
2006	\$188,075	\$0	\$0	\$0	\$188,075
2007	\$65,788	\$740	\$0	\$0	\$66,528
2008	\$0	\$6,899	\$33,273	\$0	\$40,173
2009	\$0	\$37,841	\$58,774	\$0	\$96,614
2010	\$0	\$78,144	\$77,643	\$1,500,000	\$1,655,787
2011	\$539,367	\$115,161	\$126,144	\$3,500,000	\$4,280,672
Total	\$793,231	\$238,785	\$295,834	\$5,000,000	\$6,327,849

Grants Received by Hardee County IDA

The Hardee County IDA receives grants from the EDA to conduct its operations. The table below summarizes the grant revenues the IDA has received over the period.

Hardee County IDA Grants from the EDA	
Year	EDA Grants
2006	\$0
2007	\$625,000
2008	\$25,000
2009	\$3,281,013
2010	\$1,177,209
2011	\$519,148
Total	\$5,627,370

Conclusions and Perspective

Some conclusions can be drawn by FIOG Consultant Impact DataSource from this and other studies that it conducts for economic development organizations. These conclusions or observations include the following:

The creation of new taxes generated by Authority-assisted projects are examples of what a focused economic development effort can accomplish for the benefit of a community and such new taxes and other public revenues are significant.

The job growth and increased tax revenues can be accomplished with a relative inexpensive investment in economic development activities.

FIOG Consultant Impact DataSource does not suggest that the Hardee County Industrial Development Authority caused all of the investments and growth presented in this report. The Hardee County Industrial Development Authority provided support to these businesses, some more than others, and in some cases offered incentives.

However, FIOG Consultant Impact DataSource believes that such one-stop center for economic development services is critical to a community's economic growth and many of these investments may not have occurred without the efforts of the Hardee County Industrial Development Authority.

OVERVIEW

Projects

The Hardee County Industrial Development Authority provided the following information on locations, jobs, capital investment from 2006 through 2011.

Projects Supported by Hardee County IDA			
Year	Locations	Direct Jobs	Capital Investment
2006	2	83	\$3,500,000
2007	0	0	\$0
2008	0	0	\$0
2009	0	0	\$0
2010	3	31	\$5,450,000
2011	1	19	\$460,000
Total	6	133	\$9,410,000

Five of the six projects identified above continue operations in Hardee County at the time of this report. One firm added in 2010 operated for a short period of time but ultimately closed. In addition to the six businesses identified above, the IDA worked with three other projects that did not materialize due to economic conditions. A short description of the business locations is provided below.

Pacer Marine Engineering (2006) owns land and building in Commerce Park. The company makes top quality wire harnesses and panels for manufacturers in the marine, agriculture, RV, off-road, appliance and golf cart industries.

Scosta (2006) owns land and building in Commerce Park. The company manufactures trusses and as construction rebounds their employment is expected to increase.

Forestwood Design LLC (2010) constructed a building in the Commerce Park and sold it to the IDA. The company closed and the building is now owned by NutraPure/Seychelles Organics.

Keyplex (2010) leases space in Commerce Park. The company is a crop nutritional manufacturer.

Rapid Systems (2010) owns property in the County. The company constructed a county-wide broadband system to provide affordable access to the county's residents and now operates out a property owned by the company.

NutraPure/Seychelles Organics (2011) owns land and building in Commerce Park. The company is a subsidiary of NutraPure and Nutraceutical.

Discussion of Economic and Fiscal Impacts

The Hardee County Industrial Development Authority supported several projects during the six-year period. These new businesses employed new workers in the area and made expenditures for supplies, services and other inputs. The direct economic activity generated by these firms ripples through the local economy spurring spin-off impacts. The direct activity generates indirect and induced economic impacts as described below.

The direct economic impacts are the expenditures of the firms as well as the employment and workers' earnings paid to workers. Indirect and induced benefits or spin-off benefits will be created from the spending during the operations of the firms and the direct workers.

Indirect sales, jobs and workers' earnings will be created or supported in other businesses and organizations that supply goods and services to the direct firms supported by the IDA.

OVERVIEW

In addition, induced sales, jobs and workers' earnings will be created or supported in area businesses, such as restaurants, gas stations, banks, book stores, grocery stores, apartment complexes, convenience stores, and service companies that supply goods and services to the direct and indirect workers and their families.

This report estimates the impact of the firms using impact multipliers from the US Department of Commerce's Regional Input-Output Modeling System (RIMS II) for Hardee County and various industries in which the firm's operate. The new employment and industry of activity serve as the basis for the other economic calculations in this report.

These economic impacts translate into additional revenues or fiscal impacts for local taxing districts including economic the county, school district and other taxing districts. Local taxing districts collect various revenues as a result of the activity generated by the supported projects. This study estimates the sales and property taxes generated for local taxing districts.

ANALYSIS OF ECONOMIC IMPACT FROM 2006 THROUGH 2011

Construction Impacts

Many of the locations supported by the IDA involved capital investment that supported construction activity in Hardee County. Although detailed information on the construction activity was not available, the consultant estimates some of the economic impacts related to this construction. The following estimates assume 40% of the annual capital investments represent the cost to construct the buildings and other real property .

The tables below estimate the economic impact of the construction in Hardee County

Assumptions in Estimating Construction Impacts	
% of construction costs for materials	50.0%
% of construction materials purchased in Hardee County	20.0%
% of construction costs for labor	50.0%
% of construction worker salary on taxable items	25.0%
% of construction worker salary spent in Hardee County	25.0%
Average construction worker salary	\$35,011

The purchase of taxable construction materials and taxable purchases made by construction workers are estimated to total nearly \$500,000 over the period.

Construction Impacts				
Year	Construction Jobs Supported Each Year	Local Taxable Construction Material Spending	Local Taxable Construction Worker Spending	Total Local Taxable Spending from Construction
2006	20	\$140,000	\$43,750	\$183,750
2007	0	\$0	\$0	\$0
2008	0	\$0	\$0	\$0
2009	0	\$0	\$0	\$0
2010	31	\$218,000	\$68,125	\$286,125
2011	3	\$18,400	\$5,750	\$24,150
Total	54	\$376,400	\$117,625	\$494,025

The construction activity represents temporary impacts supported by the annual construction spending by businesses supported by the Hardee County Industrial Development Authority.

ANALYSIS OF ECONOMIC IMPACT FROM 2006 THROUGH 2011

Economic Impacts from Projects Supported

The Hardee County Industrial Development Authority supported six projects during the six-year period. These new businesses employed new workers in the area and made expenditures for supplies, services and other inputs. As discussed earlier, the direct economic impact of these businesses will support spin-off activity in the community called indirect and induced impacts. The indirect impacts occur in the local businesses that supply goods or services to the direct businesses and the induced impacts occur in local businesses that supply goods or services to direct and indirect workers.

Employment and Workers' Earnings

The table below summarizes the estimated annual additional economic impact on employment and workers' earnings in the Hardee County area from 2006 through 2011. The Authority reported the estimated number of direct jobs added by each business. The spin-off jobs were estimated using industry-specific RIMS II multipliers. In addition, the direct and spin-off workers' earnings were also estimated using RIMS II industry-specific multipliers. The table summarizes the total jobs added each year and the total workers' earnings added each year. The employment estimates shown below represent permanent jobs in Hardee County.

Summary of Economic Impact on Employment & Workers' Earnings Added Each Year

Year	Direct Employment	Indirect & Induced Employment	Total Employment	Direct Workers' Earnings	Indirect & Induced Workers' Earnings	Total Workers' Earnings
2006	83	25	108	\$2,999,139	\$783,654	\$3,782,793
2007	0	0	0	\$0	\$0	\$0
2008	0	0	0	\$0	\$0	\$0
2009	0	0	0	\$0	\$0	\$0
2010	31	14	45	\$1,767,015	\$546,054	\$2,313,069
2011	19	10	29	\$969,586	\$343,427	\$1,313,013
Total	133	48	181	\$5,735,740	\$1,673,135	\$7,408,875

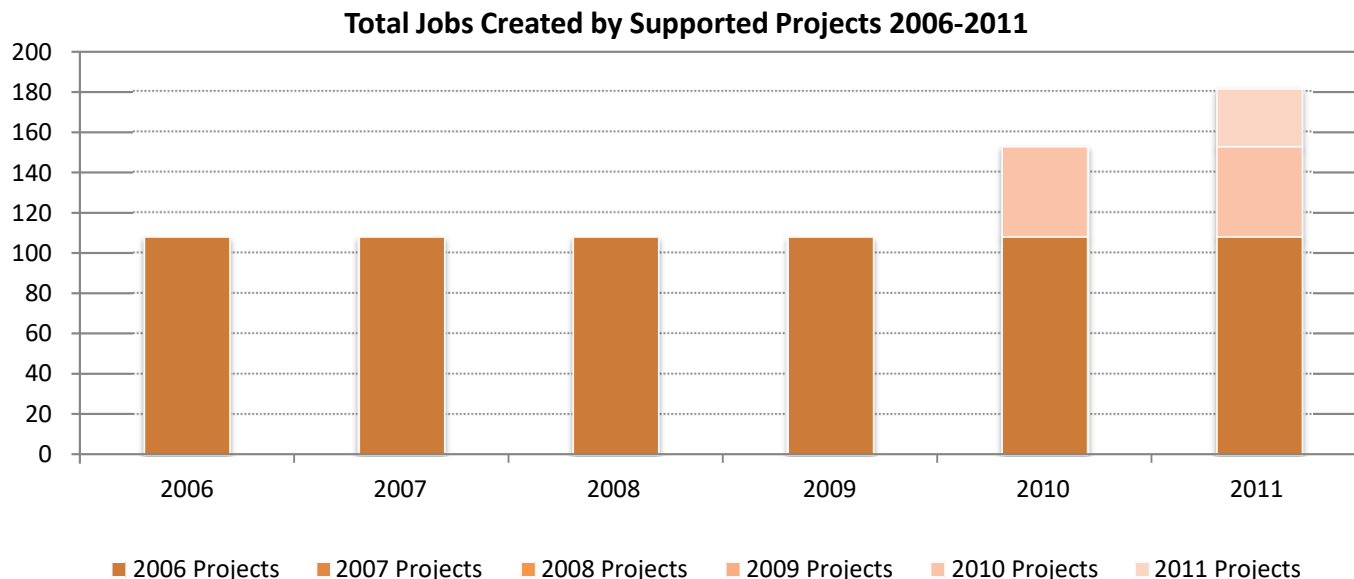
Note: Workers' earnings include both salaries and benefits paid to workers.

Although intended to be permanent, five jobs created in 2010 lasted only 2 years. The table above excludes these five jobs.

The graph on the following page shows the cumulative total of jobs created over the six-year period.

ANALYSIS OF ECONOMIC IMPACT FROM 2006 THROUGH 2011

The cumulative total employment impact created by projects supported by the Hardee County Industrial Development Authority over the last six years is shown below.



Economic Output

The table below shows the annual incremental revenues for businesses, or economic output, added each year by new firms supported by the Authority. These values represent the inter-industry purchases from businesses within the area and the purchases by new workers in the area.

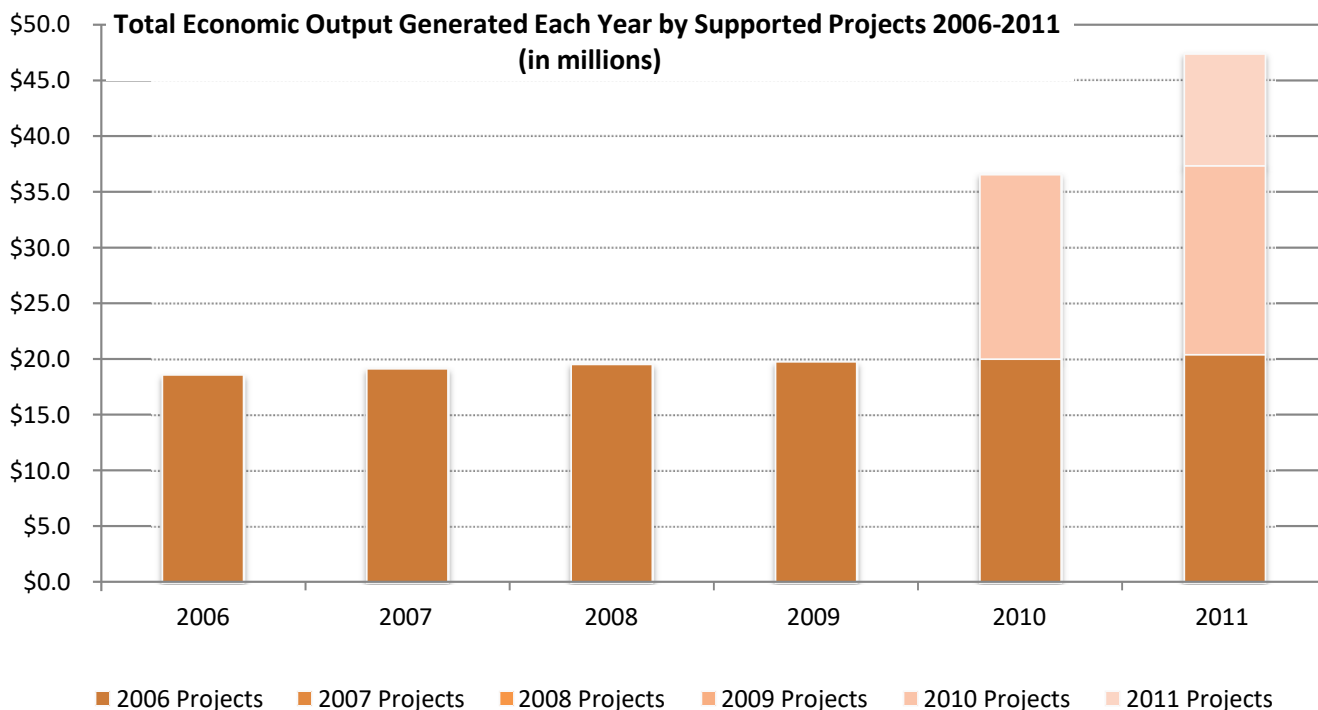
Estimated Increase in Economic Output Each Year by New Firms			
Year	Direct Economic Output	Indirect & Induced Economic Output	Total Economic Output
2006	\$15,731,613	\$2,909,981	\$18,641,594
2007	\$0	\$0	\$0
2008	\$0	\$0	\$0
2009	\$0	\$0	\$0
2010	\$13,298,296	\$3,261,053	\$16,559,349
2011	\$8,724,337	\$1,328,717	\$10,053,054
Total Annual Additions	\$37,754,247	\$7,499,750	\$45,253,997

ANALYSIS OF ECONOMIC IMPACT FROM 2006 THROUGH 2011

Cumulative Impact on Economic Output

The previous table showed the estimated additional economic output generated by the projects year-by-year. The following table shows the cumulative increase in economic output generated by firms supported by the Authority over the last six years. This table reflects the fact that businesses added in early years continue to operate going forward.

Estimated Cumulative Increase in Economic Output by New Firms			
Year	Direct Economic Output	Indirect & Induced Economic Output	Total Economic Output
2006	\$15,731,613	\$2,909,981	\$18,641,594
2007	\$16,188,181	\$2,994,435	\$19,182,616
2008	\$16,547,065	\$3,060,820	\$19,607,885
2009	\$16,721,859	\$3,093,153	\$19,815,012
2010	\$30,212,626	\$6,389,809	\$36,602,435
2011	\$39,572,563	\$7,852,951	\$47,425,515
Total	\$134,973,908	\$26,301,149	\$161,275,057



ANALYSIS OF ECONOMIC IMPACT FROM 2006 THROUGH 2011

Taxable Sales: New Worker Spending

In addition, to the employment and income impacts, the area benefited from sales and spending impacts as well as taxable property on local tax rolls. The table below estimates sales and spending generated by the workers employed by the supported economic development projects.

Assumptions in Estimating Taxable Sales in Hardee County	
% of workers' salaries spent on taxable items	25%
% of taxable shopping done in Hardee County	25%

Local Taxable Spending by New Workers by Year				
Year	<i>Direct Annual Salaries</i>	<i>Indirect & Induced Annual Salaries</i>	<i>Total Annual Salaries</i>	<i>Local Taxable Spending</i>
2006	\$2,114,393	\$552,476	\$2,666,869	\$166,679
2007	\$2,175,758	\$568,510	\$2,744,268	\$171,517
2008	\$2,223,993	\$581,114	\$2,805,107	\$175,319
2009	\$2,247,486	\$587,252	\$2,834,738	\$177,171
2010	\$3,519,101	\$978,980	\$4,498,080	\$281,130
2011	\$4,276,692	\$1,241,691	\$5,518,383	\$344,899

Total Local Taxable Sales

Combining the workers' taxable spending and the construction taxable spending, the table below summarizes estimated total local taxable spending in Hardee County due to the supported projects.

Total Local Taxable Sales During Construction & from New Workers			
Year	<i>Local Taxable Spending from Construction</i>	<i>Local Taxable Spending by New Workers</i>	<i>Total Taxable Spending</i>
2006	\$183,750	\$166,679	\$350,429
2007	\$0	\$171,517	\$171,517
2008	\$0	\$175,319	\$175,319
2009	\$0	\$177,171	\$177,171
2010	\$286,125	\$281,130	\$567,255
2011	\$24,150	\$344,899	\$369,049

ANALYSIS OF ECONOMIC IMPACT FROM 2006 THROUGH 2011

Property on Local Tax Rolls

The businesses supported by the Hardee County Industrial Development Authority made capital investments during the six-year period from 2006 through 2011. The table below shows the value of capital investment each year and the cumulative value of taxable property each year. The values have not been adjusted to account for depreciation of equipment or appreciation of real property.

Value of Commercial/Industrial Property on Tax Rolls		
Year	Capital Investment Each Year	Taxable Value Commercial/Industrial Property
2006	\$3,500,000	\$3,500,000
2007	\$0	\$3,500,000
2008	\$0	\$3,500,000
2009	\$0	\$3,500,000
2010	\$5,450,000	\$6,250,000
2011	\$460,000	\$6,710,000

Taxable value of the \$4.2 million investment in 2010 in broadband is \$1.5 million.

Some of the new jobs created in Hardee County may have been filled by workers moving to the area. A portion of these new workers moving to the area may build new homes in the area. The tables below estimate the value of cumulative residential property added to local tax rolls as a result of the economic development projects.

Assumptions in Estimating Residential Property	
% of new workers who move to Hardee County	17.5%
% of relocating workers who build a home	10.0%

Cumulative Residential Property on Tax Rolls Each Year					
Year	Cumulative Total Jobs	New Workers Moving to the Area	New Homes Built for New Workers	Average Taxable Value of New Home*	Value of Residential Property
2006	108	19	1.9	\$65,000	\$122,604
2007	108	19	1.9	\$70,100	\$132,224
2008	108	19	1.9	\$91,000	\$171,646
2009	108	19	1.9	\$93,100	\$175,607
2010	153	27	2.7	\$81,100	\$216,748
2011	181	32	3.2	\$64,300	\$204,038

* Average taxable value of a new home is the median value of a single-family home in Hardee County (ACS, U.S. Census) during this period less a \$25,000 property exemption.

ANALYSIS OF ECONOMIC IMPACT FROM 2006 THROUGH 2011

Total property added to local tax rolls, including commercial/industrial and residential property, is summarized in the table below.

Total Cumulative Property on Tax Rolls Each Year			
Year	Value Commercial/ Industrial Property	Value of Residential Property	Total Value of Property
2006	\$3,500,000	\$122,604	\$3,622,604
2007	\$3,500,000	\$132,224	\$3,632,224
2008	\$3,500,000	\$171,646	\$3,671,646
2009	\$3,500,000	\$175,607	\$3,675,607
2010	\$6,250,000	\$216,748	\$6,466,748
2011	\$6,710,000	\$204,038	\$6,914,038

The next section translates the above economic impacts into additional revenues for local taxing districts.

ANALYSIS OF FISCAL IMPACT FROM 2006 THROUGH 2011

Tax Rates

Sales taxes are estimated for Hardee County. The taxable sales estimated in this analysis are intended to represent the sales subject to Hardee County's sales tax although these projects will create economic activity throughout the region and state.

Sales Tax Rates	
Hardee County	1.0%

The capital investments associated with these projects were located in the Hardee County Commerce Park with the exception of Rapid Systems which is located on US Highway 17. The fiscal impact analysis estimates property taxes resulting from these projects using property tax rates for Hardee County, Hardee County Public Schools, and several other taxing districts. The property tax rates used are listed below.

Property Tax Rates						
Year	Hardee County	Hardee County Public Schools	Peace River Water District	Healthcare District	SWFWMD	Total
2006	7.7926	7.5640	0.1827	0.3034	0.3866	16.2293
2007	7.7926	7.5640	0.1827	0.3034	0.3866	16.2293
2008	8.5540	7.7790	0.1827	0.3381	0.3866	17.2404
2009	8.5540	7.9650	0.1827	0.3335	0.3866	17.4218
2010	8.5540	7.8450	0.1827	0.3551	0.3770	17.3138
2011	8.5540	7.6040	0.1827	0.3646	0.3928	17.0981

ANALYSIS OF FISCAL IMPACT FROM 2006 THROUGH 2011

Sales Tax Collections

Hardee County receives sales tax as a result of the economic development projects. Taxable purchases made during construction as well as direct and spin-off worker taxable spending in the area serve as the basis for these sales tax collection calculations. The table summarizes the estimated sales taxes generated by the supported projects over six years.

Sales Tax Collections by Year	
Year	Hardee County
2006	\$3,504
2007	\$1,715
2008	\$1,753
2009	\$1,772
2010	\$5,673
2011	\$3,690
Total	\$18,107

Property Tax Collections

Property taxing districts in Hardee County receive benefits from the property supported by these development projects assisted by the Industrial Development Authority. Listed below are estimated property tax revenue to the county, school district and other local property taxing districts.

Property Tax Collections by Year						
Year	Hardee County	Hardee County Public Schools	Peace River Water District	Healthcare District	SWFWMD	Total
2006	\$28,230	\$27,401	\$662	\$1,099	\$1,400	\$58,792
2007	\$28,304	\$27,474	\$664	\$1,102	\$1,404	\$58,948
2008	\$31,407	\$28,562	\$671	\$1,241	\$1,419	\$63,301
2009	\$31,441	\$29,276	\$672	\$1,226	\$1,421	\$64,036
2010	\$55,317	\$50,732	\$1,181	\$2,296	\$2,438	\$111,964
2011	\$59,143	\$52,574	\$1,263	\$2,521	\$2,716	\$118,217
Total	\$233,842	\$216,019	\$5,112	\$9,486	\$10,799	\$475,258

ANALYSIS OF FISCAL IMPACT FROM 2006 THROUGH 2011

Total Fiscal Impact for Local Taxing Districts

In total, it is estimated that the projects supported by the Hardee County Industrial Development Authority generated \$493,365 in additional sales and property tax collections over the six-year period from 2006 through 2011 for local taxing districts. Specifically, Hardee County is estimated to have collected \$251,949 in sales and property taxes as a result of projects supported by the Authority. The table below summarizes the total additional revenue for local taxing districts that result from the economic development projects supported by the Hardee County Industrial Development Authority.

Total Additional Revenue for Local Taxing Districts Generated by Supported Projects from 2006–2011			
	Sales Tax Collections	Property Tax Collections	Total
Hardee County	\$18,107	\$233,842	\$251,949
Hardee County Public Schools	\$0	\$216,019	\$216,019
Peace River Water District	\$0	\$5,112	\$5,112
Healthcare District	\$0	\$9,486	\$9,486
SWFWMD	\$0	\$10,799	\$10,799
Total	\$18,107	\$475,258	\$493,365

PROJECTED LONG-TERM IMPACTS

Economic Impact Over 10 Years

The businesses and employment supported by the Authority are expected to contribute to the Hardee County economy on an on-going permanent basis. This section projects the economic and fiscal impact of all of the projects over a 10-year period. Businesses assisted in 2006 were analyzed for a 10 year period from 2006 through 2015. Similarly, projects assisted in 2011 were analyzed for a 10-year period from 2011 through 2020.

Projects added in 2006 will contribute approximately \$204 million in economic output over the 10-year period from 2006 through 2015. Projects that began in 2010 support approximately \$181.5 million in economic output over the first 10 years. In total, the projects supported by the Authority from 2006 through 2011 will generate \$495.4 million in economic impact over a 10-year horizon for each cohort of projects.

Total Contribution to Economic Impact by Businesses Over 10 Years			
	Direct Economic Output (in millions)	Indirect & Induced Economic Output (in millions)	Total Economic Output (in millions)
2006 Projects	\$172.0	\$31.8	\$203.8
2007 Projects	\$0.0	\$0.0	\$0.0
2008 Projects	\$0.0	\$0.0	\$0.0
2009 Projects	\$0.0	\$0.0	\$0.0
2010 Projects	\$145.7	\$35.7	\$181.5
2011 Projects	\$95.5	\$14.5	\$110.1
Total 10-Year Impact	\$413.3	\$82.1	\$495.4

The projects supported by the Authority over the last six years will generate 181 total permanent jobs in the county. Workers will receive approximately \$81.1 million in workers' earnings as a result of these projects over a 10-year period for each cohort of projects.

Total Employment and Workers' Earnings Over 10 Years						
	Direct Employment	Indirect Employment	Total Employment	Direct Workers' Earnings (Millions)	Indirect & Induced Workers' Earnings (Millions)	Total Workers' Earnings (Millions)
2006 Projects	83	25	108	\$32.8	\$8.6	\$41.4
2007 Projects	0	0	0	\$0.0	\$0.0	\$0.0
2008 Projects	0	0	0	\$0.0	\$0.0	\$0.0
2009 Projects	0	0	0	\$0.0	\$0.0	\$0.0
2010 Projects	31	14	45	\$19.4	\$6.0	\$25.4
2011 Projects	19	10	29	\$10.6	\$3.8	\$14.4
Total 10-Year Impact	133	48	181	\$62.8	\$18.3	\$81.1

The long-term fiscal impact of these projects is discussed on the next page.

PROJECTED LONG-TERM IMPACTS

Fiscal Impact Over 10 Years

In total, it is projected that the projects supported by the Authority over the last six years will generate \$1.2 million for local taxing districts during subsequent 10-year periods for each cohort of projects.

Total Additional Revenue for Local Taxing Districts						
	Hardee County*	Hardee County Public Schools	Peace River Water District	Healthcare District	SWFWMD	Total
2006 Projects	\$328,912	\$276,358	\$6,597	\$13,002	\$14,183	\$639,052
2007 Projects	\$0	\$0	\$0	\$0	\$0	\$0
2008 Projects	\$0	\$0	\$0	\$0	\$0	\$0
2009 Projects	\$0	\$0	\$0	\$0	\$0	\$0
2010 Projects	\$254,207	\$214,905	\$5,130	\$10,111	\$11,029	\$495,381
2011 Projects	\$48,929	\$37,896	\$905	\$1,783	\$1,945	\$91,457
Total 10-Year Impact	\$632,048	\$529,159	\$12,631	\$24,896	\$27,156	\$1,225,890

* Hardee County will also receive an annual distribution of \$500,000 from the Hardee County IDA in connection with the Mosaic Agreement. From 2010 through 2019, these transfers represent an additional \$5.0 million in revenue for Hardee County, not reflected in the table above.

CONCLUSIONS

Conclusions and Perspective

Some conclusions can be drawn by FIOG Consultant Impact DataSource from this and other studies that it conducts for economic development organizations. These conclusions or observations include the following:

The creation of new taxes generated by Authority-assisted projects are examples of what a focused economic development effort can accomplish for the benefit of a community and such new taxes and other public revenues are significant.

The job growth and increased tax revenues can be accomplished with a relative inexpensive investment in economic development activities.

FIOG Consultant Impact DataSource does not suggest that the Hardee County Industrial Development Authority caused all of the investments and growth presented in this report. The Hardee County Industrial Development Authority provided support to these businesses, some more than others, and in some cases offered incentives.

However, FIOG Consultant Impact DataSource believes that such one-stop center for economic development services is critical to a community's economic growth and many of these investments may not have occurred without the efforts of the Hardee County Industrial Development Authority.

METHODOLOGY

Conduct of the Analysis

This analysis was conducted by FIOG Consultant Impact DataSource and completed using firm data, rates and information gathered by the Hardee County Industrial Development Authority. In addition, the model uses certain estimates and assumptions. Using this information, FIOG Consultant Impact DataSource estimated the annual economic impact from the economic development projects supported by the Hardee County Industrial Development Authority.

The economic impact as calculated in this report can be categorized into two main types of impacts. First, the direct economic impacts are defined as those that result directly from a project. These impacts are the direct expenditures by the firm. Second, this economic impact analysis calculates the indirect and induced impacts that result from the project. Indirect jobs and salaries are supported in new or existing area firms, such as maintenance companies and service firms, that may supply goods and services to the firm. 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 workers and their families.

To estimate the indirect and induced economic impact of these projects and the employees on the area, regional economic multipliers were used. Regional economic multipliers are included in the US Department of Commerce's Regional Input-Output Modeling System (RIMS II).

Three types of regional economic multipliers were used in this analysis: earnings multipliers, employment multipliers and output multipliers. Employment multipliers were used to estimate the number of indirect and induced jobs supported in the area for each project. Earnings multipliers were used to estimate the amount of salaries to be paid to workers in these new indirect and induced jobs. These multipliers show the estimated number of indirect and induced jobs supported for every one direct job at the firm and the amount of salaries paid to these workers for every dollar paid to a direct worker at the firm. Output multipliers were used to estimate the increase in revenue or economic output generated by each of these businesses based on the increase in workers. For projects that included capital investment only and did not include the hiring of additional workers, a conservative assets-to-sales ratio was used to estimate the increase in output due to the addition of new capital. The multipliers used in the analysis were specific to each firm and industry, and each firm and industry.

About FIOG Consultant Impact DataSource

FIOG Consultant Impact DataSource is a 20 year-old Austin economic consulting, research and analysis firm. The firm has conducted over 2,500 economic impact analyses of numerous projects across the country. In addition, the firm has developed economic impact analysis computer programs for several clients, including the New Mexico Economic Development Department.

Paul Scheuren performed this economic impact analysis. He is an economist and has a Master of Arts degree in Economics from Clemson University and a Bachelor of Business Administration from Temple University.

Data used in the analysis, along with schedules of the results of calculations, are on the following pages.

Appendix A

Data & Rates

APPENDIX A

Sales Tax Rates

Hardee County	1.0%
---------------	------

Property Tax Rates

<i>Year</i>	<i>Hardee County</i>	<i>Hardee County Public Schools</i>	<i>Peace River Water District</i>	<i>Healthcare District</i>	<i>SWFWMD</i>
2006	7.7926	7.5640	0.1827	0.3034	0.3866
2007	7.7926	7.5640	0.1827	0.3034	0.3866
2008	8.5540	7.7790	0.1827	0.3381	0.3866
2009	8.5540	7.9650	0.1827	0.3335	0.3866
2010	8.5540	7.8450	0.1827	0.3551	0.3770
2011	8.5540	7.6040	0.1827	0.3646	0.3928
2012	8.5540	7.6540	0.1827	0.3601	0.3928

Construction Assumptions

Percent of construction costs for materials	50%
Percent of construction costs for labor	50%
Estimated percent of construction materials that were purchased in the area	20%
Estimated construction workers annual salaries	\$35,011
Estimated percent of a typical construction worker's salary spent locally	25%
Estimated percent of a typical construction worker's salary spent on taxable goods and services	25%

Local Spending Assumptions

Estimated percent of a typical worker's salary spent on taxable goods and services	25%
Estimated percent of a typical worker's salary spent locally	25%
Salaries as a percentage of workers' earnings Workers' earnings include both salaries and benefits	70.5%

APPENDIX A

Residential Property Assumptions

Estimated percent of new workers moving to the area from somewhere else 17.5%

Estimated percent of these new workers who built a new home or required that new rental property be built for them 10.0%

American Community Survey (Census) Median Single Family Home Value and estimated taxable value of new residences to be built for some new workers who move to the area (Median Value less \$25,000 Exemption)

	Median Value	
	Hardee County	Taxable Value
2006	\$90,000	\$65,000
2007	\$95,100	\$70,100
2008	\$116,000	\$91,000
2009	\$118,100	\$93,100
2010	\$106,100	\$81,100
2011	\$89,300	\$64,300

Annual residential property appreciation 2.0%