



Avalon Park Daytona Beach

Tax Revenue Forecast, Impact Fee Generation, and Economic Impacts

May 2020



Introduction

Avalon Park Daytona Beach (APDB) is a proposed development in northwest incorporated Daytona Beach. The project site is 2,500 acres just west of I-95 along the south side of SR 40 (W Granada Blvd) adjacent to Latitude Margaritaville. When complete, Avalon Park Daytona Beach will have 5,000 single-family homes, 5,000 multi-family homes and one million square feet of mixed-use commercial space. Avalon Park Group will master plan the community using New Urbanist and Smart Growth principles. This report's purpose is to quantify APDB's property tax revenues, impact fee generation and economic impacts from construction. The tax and impact fee forecasts will be compared to a similar sized community developed in a more traditional suburban manner.

Summary

Avalon Park Daytona Beach is currently projected to build out over 15 years.

Avalon Park Daytona Beach Impacts at Build Out (2035)

Category	Amount
Ongoing Annual Impacts	
Property Taxes Generated - All Authorities	\$ 53,360,260
City of Daytona Beach Property Tax Collections	\$ 16,469,708
City of Daytona Beach General Tax Revenues	\$ 8,729,257
Employment generated from APDB HH Spending	4,968
Commercial Space Employment [#]	2,976
Construction Impacts*	
Impact and Capital Fees	\$ 124,789,256
Water and Sewer Tap Fees	\$ 13,084,811
Construction Expenditures	\$ 2,093,464,000
Public Infrastructure Permit Fee	\$ 4,050,000
Employment (Avg. Jobs/year)	1,710
Labor Income	\$ 1,083,382,088

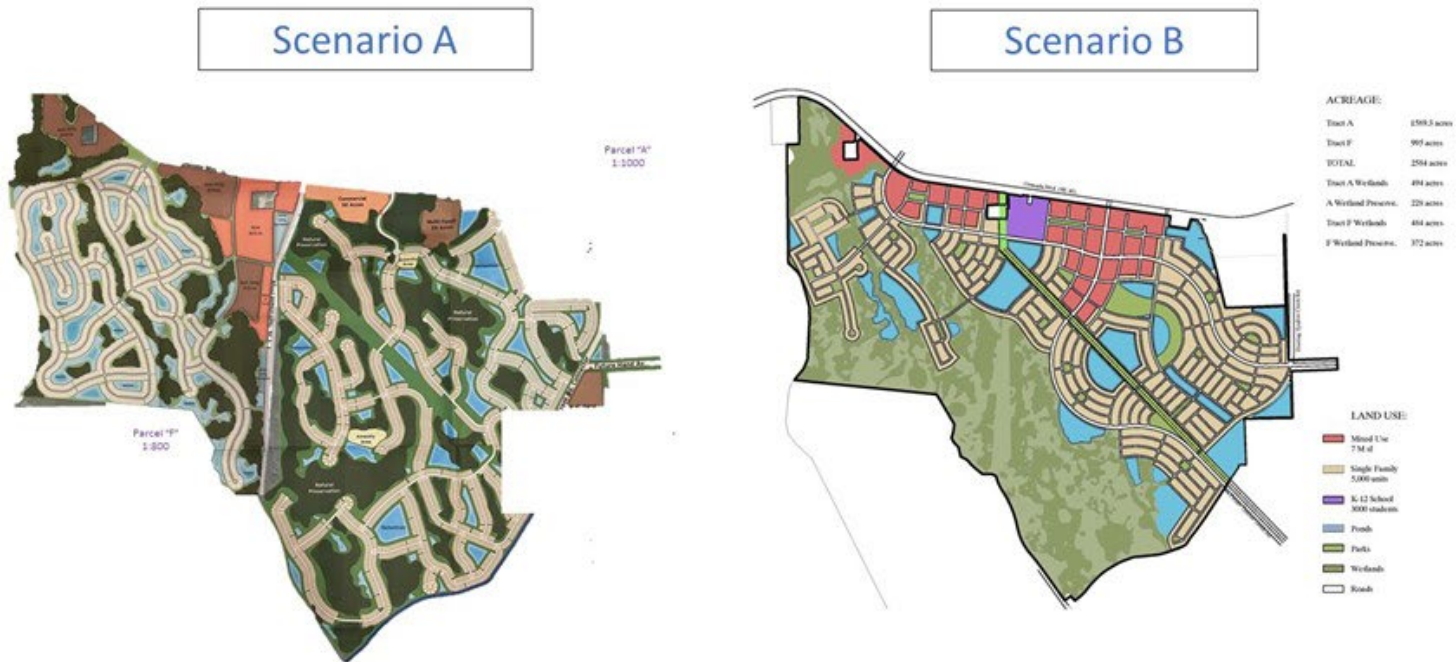
Dollars are in 2020 \$

Commercial Space employment includes double counts from HH spending

*Construction Impacts are cumulative through 2035

Scenario Comparison

Taxable Values, Tax Revenues, Impact/Capital Fees and Tap Fee collections are forecast for two scenarios. **Scenario A** is based on previously proposed traditional suburban development patterns. **Scenario B** is the proposed Avalon Park Daytona Beach concept based on New Urbanist and Smart Growth principles. Avalon Park Group plans to develop a compact, walkable, mixed-use community that achieves efficient use of land and infrastructure. The plan preserves large contiguous space for conservation lands and utilizes a network of interconnected streets to reduce vehicle miles traveled, promote energy efficiency, and build a healthy community.



5,438 Residential Units
599,000 Sq. Ft. Commercial

10,000 Residential Units
1,000,000 Sq. Ft. Commercial

Property Taxes

At build-out, Avalon Park Daytona Beach (Scenario B) will generate approximately \$53 million annually in Tax Revenue to the various Volusia County Taxing Authorities. Due to the increased density, APDB will generate \$20 million in additional property tax revenue annually than a traditional development (Scenario A).

Avalon Park Daytona Beach 2035 Estimated Property Tax Revenues

Taxing Authority	Taxable Value	Millage	Annual Revenue
Daytona Beach Operating	\$ 2,656,404,533	6.200	\$ 16,469,708
Volusia County General Fund	\$ 2,656,404,533	5.694	\$ 15,125,567
Volusia County Library	\$ 2,656,404,533	0.552	\$ 1,466,335
Volusia School Board RLE	\$ 2,922,044,986	3.900	\$ 11,395,975
Volusia School Board Discretionary	\$ 2,922,044,986	0.748	\$ 2,185,690
Volusia School Board Cap Imp.	\$ 2,922,044,986	1.500	\$ 4,383,067
TOTAL* All Authorities Scenario B	\$ 2,656,404,533	20.087	\$ 53,360,260
TOTAL* All Authorities Scenario A	\$ 1,631,472,482	20.087	\$ 32,772,040
B minus A			\$ 20,588,220
All \$ in 2020 Dollars			
*School Board non-exempt valuation not included.			
Not all taxing authorities are shown. 18.594 mils (93% of 20.087) is shown in breakout.			
Mill Rate (20.09) is 2019 Composite Agregate Rate for All Volusia County Taxing Authorities			

Recent millage rates were used in this analysis and are subject to change during the 15-year period. However, current rates are typical of similar communities and should be a good proxy for future rates. The following tables and pages describe the Taxable Value estimates.

Scenario B

Avalon Park Daytona Beach Taxable Value Forecast

Type	Units	Sq. Ft.	Taxable Value per S.F./Unit	Initial 2021 Values	Growth Rate	Buildout 2035
Single Family	5,000					
S.F. Detached HX	2,336		\$ 205,000	\$ 478,880,000	1.021	\$ 654,052,833
S.F. Detached Non-HX	1,000		\$ 255,000	\$ 255,000,000	1.0304	\$ 399,602,255
S.F. Attached HX	1,164		\$ 140,000	\$ 162,960,000	1.021	\$ 222,570,267
S.F. Attached Non-HX	500		\$ 190,000	\$ 95,000,000	1.0304	\$ 148,871,428
Multi Family	5,000					
M.F. Traditional	3,346		\$ 130,000	\$ 434,980,000	1.0304	\$ 681,643,094
M.F. Mixed Use	1,654		\$ 140,000	\$ 231,560,000	1.0304	\$ 362,870,189
Commercial/Retail/Other		1,000,000		\$ -		
Grocery		60,000	\$ 110	\$ 6,600,000	1.0304	\$ 10,342,647
Mixed Use Retail		520,000	\$ 130	\$ 67,600,000	1.0304	\$ 105,933,774
Flex Office		150,000	\$ 110	\$ 16,500,000	1.0304	\$ 25,856,617
Mixed Use Office		120,000	\$ 150	\$ 18,000,000	1.0304	\$ 28,207,218
Storage		150,000	\$ 70	\$ 10,500,000	1.0304	\$ 16,454,211
				\$1,777,580,000		\$ 2,656,404,533
All \$ in 2020 Dollars						
HX rate for SF	70%					
HX growth rate	0.021					
Taxable Value Growth Rate	0.0304					
						Buildout Taxable Value
						Scenario B \$ 2,656,404,533
						Scenario A \$ 1,631,472,482
						B minus A \$ 1,024,932,051

Scenario A

Taxable Value Estimate

Type	Units	Sq. Ft.	Taxable Value per S.F./Unit	Initial 2021 Values	Growth Rate	Buildout 2035
Single Family						
S.F. Detached HX	2,960		\$ 205,000	\$ 606,800,000	1.021	\$ 828,765,575
S.F. Detached Non-HX	1,278		\$ 255,000	\$ 325,890,000	1.0304	\$ 510,691,682
Multi Family						
M.F. Traditional	1,200		\$ 100,000	\$ 120,000,000	1.0304	\$ 188,048,120
Commercial/Retail/Other		599,500				
Grocery		60,000	\$ 110	\$ 6,600,000	1.0304	\$ 10,342,647
Strip Commercial		80,000	\$ 130	\$ 10,400,000	1.0304	\$ 16,297,504
Lifestyle Commercial		189,500	\$ 110	\$ 20,845,000	1.0304	\$ 32,665,526
Office		120,000	\$ 150	\$ 18,000,000	1.0304	\$ 28,207,218
Storage		150,000	\$ 70	\$ 10,500,000	1.0304	\$ 16,454,211
Total				\$ 1,119,035,000		\$ 1,631,472,482
All \$ in 2020 Dollars						
HX rate for SF	70%					
HX growth rate	0.021					
Taxable Value Growth Rate	0.0304					

Taxable Value

Assessed Value is the annual determination of the Just or Fair market value of property. Taxable Value is the assessed value of property minus the amount of any exemption approved by the Property Appraiser for the owner of the property. The primary exemption is the \$25,000 Homestead Exemption and the additional \$25,000 non-school exemption. This totals \$50,000. Other exemptions exist but are not included in this analysis (initial values). Projects appear on the Tax Roll on January 1st following completion. Initial Assessed/Taxable Values are escalated by an annual rate of 3.04% from 2021 estimates to the build-out year of 2035.

Taxable Value Growth Rates

The historical growth rate of Taxable Value for all property in Volusia County from 2000-2019 is 5%. Recently, Taxable value has risen around 8%. However, this average year over year increases in Taxable Value includes new construction. New construction accounts for a large percentage of the increase in taxable value each year. In 2008, a 10% cap was enacted for commercial and non-homestead properties. The “Second \$25,000” homestead exemption was also enacted. The Homestead Exemption of \$50,000 was applied to 70 of the Single-family units.

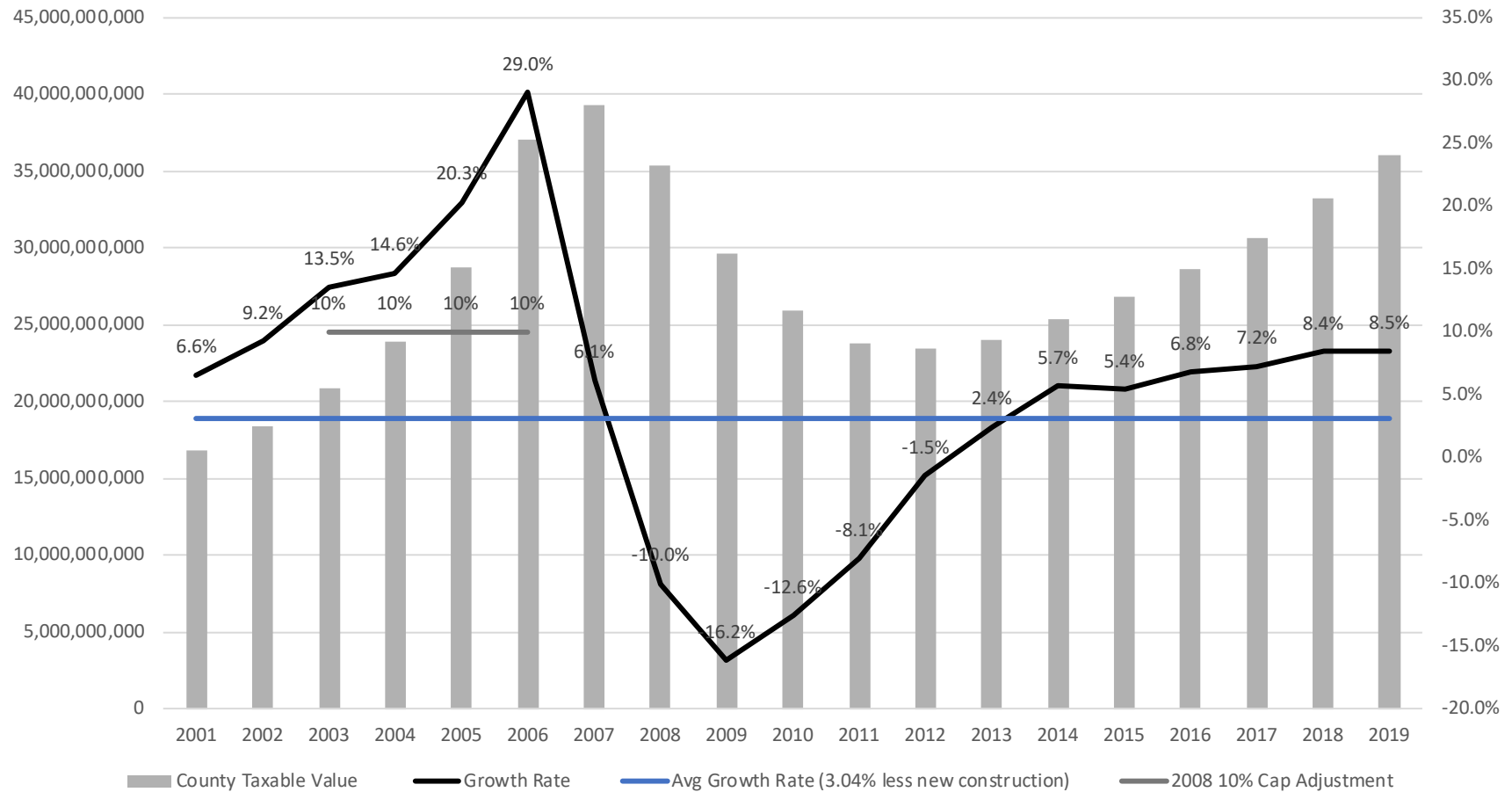
To calculate a growth rate to utilize in the tax revenue forecast for the development, we adjusted for several factors: 1) subtracted new construction from the increase in total taxable value; 2) capped the historical growth in pre-2008 years greater than 10%, at 10%, to factor in the statutory cap; and 3) limited the growth of taxable value on homesteaded properties to the 23-year average of 2.1%. This methodology yields a forecast rate of 3.04% for non-homestead properties and 2.1% for homesteaded properties.

Taxable Value Forecast Growth Rates

<u>Category</u>	<u>Growth Rate</u>
Non-Homesteaded Properties (Non-HX)	3.04%
Homesteaded Properties (HX)	2.10%

The chart on the following page shows the growth in County Taxable Value and the historical growth rates. The graph depicts why the 3.04% growth rate (blue line) is a conservative growth rate to use in this analysis.

Volusia County Taxable Value 2001 - 2019



Impact Fees

Avalon Park Daytona Beach (Scenario B) will generate approximately \$125 million in impact fees during the estimated 15-year buildout. Due to the increased density, APDB will generate \$44 million more in impact fees than a traditional development (Scenario A). An additional Public Infrastructure Permit Fee is also required. This fee will be around \$4 million dollars or 2.25% of the \$180 million dollar cost of infrastructure to be dedicated.

Scenario B

Avalon Park Daytona Beach Impact and Capital Fee Generation

		Rates										Fees Generated											
		City of Daytona Beach								Volusia County		City of Daytona Beach						Volusia County					
Type	Units	Sq. Ft.	Fix Units /KSF	Fire/EMS	Gen Govt	Parks	Police	Roads	Water	Sewer	County Thoroughfare	County School	Fire/EMS	Gen Govt	Parks	Police	Roads	City Water	City Sewer	County Thoroughfare	County	School	
Single Family		5000																					
											\$/Unit	\$/Unit											
S.F. Detached	3336			\$ 240	\$ 745	\$ 1,736	\$ 408	\$ 378	\$ 1,338	\$ 1,774	\$ 5,274	\$ 2,941	\$ 800,640	\$ 2,485,320	\$ 5,791,296	\$ 1,361,088	\$ 1,261,008	\$ 4,463,568	\$ 5,918,064	\$ 17,594,064	\$	9,811,176	
S.F. Attached	1064			\$ 220	\$ 683	\$ 1,593	\$ 374	\$ 357	\$ 1,338	\$ 1,774	\$ 5,274	\$ 2,941	\$ 234,080	\$ 1,694,952	\$ 397,936	\$ 379,848	\$ 379,848	\$ 1,423,632	\$ 1,887,536	\$ 5,611,536	\$	3,129,224	
55+ Community	600			\$ 220	\$ 683	\$ 1,593	\$ 374	\$ 357	\$ 1,338	\$ 1,774	\$ 5,274	N/A	\$ 409,800	\$ 955,800	\$ 224,400	\$ 214,200	\$ 214,200	\$ 802,800	\$ 1,064,400	\$ 3,164,400	\$	-	
Multi Family		5000																					
											\$/Unit	\$/Unit											
M.F. Traditional	3346			\$ 163	\$ 503	\$ 1,179	\$ 275	\$ 246	\$ 1,338	\$ 1,774	\$ 1,912	\$ 2,941	\$ 97,800	\$ 301,800	\$ 707,400	\$ 165,000	\$ 823,116	\$ 4,476,948	\$ 5,935,804	\$ 6,397,552	\$	9,840,586	
M.F. Mixed Use	1654			\$ 163	\$ 503	\$ 1,179	\$ 275	\$ 246	\$ 1,338	\$ 1,774	\$ 1,912	\$ 2,941	\$ 97,800	\$ 301,800	\$ 707,400	\$ 165,000	\$ 406,884	\$ 2,213,052	\$ 2,934,196	\$ 3,162,448	\$	4,864,414	
Commercial/Retail/Other		1000000																					
											\$/Unit	SF											
Grocery	60000	3.1		\$ 421	\$ 1,311	\$ -	\$ 717	\$ 971	\$ 131	\$ 131	\$ 10.50	N/A	\$ 25,260	\$ 78,660	\$ -	\$ 43,020	\$ 58,260	\$ 7,860	\$ 7,860	\$ 630,000	\$	-	
Retail	520000	3.8		\$ 421	\$ 1,311	\$ -	\$ 717	\$ 971	\$ 131	\$ 131	\$ 9.27	N/A	\$ 218,920	\$ 681,720	\$ -	\$ 372,840	\$ 504,920	\$ 68,120	\$ 68,120	\$ 4,820,400	\$	-	
Flex Office	150000	1.7		\$ 270	\$ 840	\$ -	\$ 459	\$ 403	\$ 131	\$ 131	\$ 4.05	N/A	\$ 40,500	\$ 126,000	\$ -	\$ 68,850	\$ 60,450	\$ 19,650	\$ 19,650	\$ 607,500	\$	-	
Office	120000	1.9		\$ 270	\$ 840	\$ -	\$ 459	\$ 403	\$ 131	\$ 131	\$ 3.90	N/A	\$ 32,400	\$ 100,800	\$ -	\$ 55,080	\$ 48,360	\$ 15,720	\$ 15,720	\$ 468,000	\$	-	
Storage	150000	0.1		\$ 109	\$ 336	\$ -	\$ 184	\$ 181	\$ 131	\$ 131	\$ 0.60	N/A	\$ 16,350	\$ 50,400	\$ -	\$ 27,600	\$ 27,150	\$ 19,650	\$ 19,650	\$ 90,000	\$	-	
All \$ and Rates in 2020 Dollars (Rates)													\$ 1,973,550	\$ 6,777,252	\$ 7,828,432	\$ 2,852,526	\$ 3,784,196	\$ 13,511,000	\$ 17,871,000	\$ 42,545,900	\$	27,645,400	

All \$ and Rates in 2020 Dollars (Rates)

Notes:

¹City Impact Fees Include Fire/EMS, Gen Govt, Parks, Police, Roads.

Thoroughfare Mixed Use Retail and Flex Office Rates are blended rates.

Commercial Impact fees based on estimated average fixtures units per sq.ft. of use types utilizing occupancy characteristics of potential product mix.

Fixture Units/KSF estimate is based on estimated occupancy characteristics and average fixtures/KSF for existing buildings.

Total Scenario B	\$ 124,789,256
Total Scenario A	\$ 80,300,348
B minus A	\$ 44,488,908

Scenario A

Impact and Capital Fee Revenue - Traditional Suburban

		Rates										Fees Generated											
		City of Daytona Beach								Volusia County		City of Daytona Beach						Volusia County					
Type	Units	Sq. Ft.	Fix Units /KSF	Fire/EMS	Gen Govt	Parks	Police	Roads	Water	Sewer	County Thoroughfare	County School	Fire/EMS	Gen Govt	Parks	Police	Roads	City Water	City Sewer	County Thoroughfare	County	School	
Single Family		4238																					
											\$/Unit	\$/Unit											
S.F. Detached	2960			\$ 240	\$ 745	\$ 1,736	\$ 408	\$ 378	\$ 1,338	\$ 1,774	\$ 5,274	\$ 2,941	\$ 710,400	\$ 2,205,200	\$ 5,138,560	\$ 1,207,680	\$ 1,118,880	\$ 3,960,480	\$ 5,251,040	\$ 15,611,040	\$	8,705,360	
S.F. Attached	1278			\$ 220	\$ 683	\$ 1,593	\$ 374	\$ 357	\$ 1,338	\$ 1,774	\$ 5,274	\$ 2,941	\$ 281,160	\$ 2,035,854	\$ 477,972	\$ 456,246	\$ 456,246	\$ 1,709,964	\$ 2,267,172	\$ 6,740,172	\$	3,758,598	
Multi Family		1200																					
											\$/Unit	\$/Unit											
M.F. Traditional	1200			\$ 163	\$ 503	\$ 1,179	\$ 275	\$ 246	\$ 1,338	\$ 1,774	\$ 1,912	\$ 2,941	\$ 195,600	\$ 603,600	\$ 1,414,800	\$ 330,000	\$ 295,200	\$ 1,605,600	\$ 2,128,800	\$ 2,294,400	\$	3,529,200	
Commercial/Retail/Other		599500																					
											\$/Unit	SF											
Grocery	60000	3.1		\$ 421	\$ 1,311	\$ -	\$ 717	\$ 971	\$ 131	\$ 131	\$ 10.50	N/A	\$ 25,260	\$ 78,660	\$ -	\$ 43,020	\$ 58,260	\$ 7,860	\$ 7,860	\$ 630,000	\$	-	
Retail	299500	3.8		\$ 421	\$ 1,311	\$ -	\$ 717	\$ 971	\$ 131	\$ 131	\$ 9.27	N/A	\$ 126,090	\$ 392,645	\$ -	\$ 214,742	\$ 290,815	\$ 39,235	\$ 39,235	\$ 2,776,365	\$	-	
Flex Office	70000	1.7		\$ 270	\$ 840	\$ -	\$ 459	\$ 403	\$ 131	\$ 131	\$ 4.05	N/A	\$ 18,900	\$ 58,800	\$ -	\$ 32,130	\$ 28,210	\$ 9,170	\$ 9,170	\$ 283,500	\$	-	
Office	80000	1.9		\$ 270	\$ 840	\$ -	\$ 459	\$ 403	\$ 131	\$ 131	\$ 3.90	N/A	\$ 21,600	\$ 67,200	\$ -	\$ 36,720	\$ 32,240	\$ 10,480	\$ 10,480	\$ 312,000	\$	-	
Storage	90000	0.1		\$ 109	\$ 336	\$ -	\$ 184	\$ 181	\$ 131	\$ 131	\$ 0.60	N/A	\$ 9,810	\$ 30,240	\$ -	\$ 16,560	\$ 16,290	\$ 11,790	\$ 11,790	\$ 54,000	\$	-	
All \$ and Rates in 2020 Dollars (Rates)													\$ 1,388,820	\$ 5,472,199	\$ 7,031,332	\$ 2,337,098	\$ 2,296,141	\$ 7,354,579	\$ 9,725,547	\$ 28,701,477	\$	15,993,158	

All \$ and Rates in 2020 Dollars (Rates)

Notes:

¹City Impact Fees Include Fire/EMS, Gen Govt, Parks, Police, Roads.

Thoroughfare Mixed Use Retail and Flex Office Rates are blended rates.

Commercial Impact fees based on estimated average fixtures units per sq.ft. of use types utilizing occupancy characteristics of potential product mix.

Fixture Units/KSF estimate is based on estimated occupancy characteristics and average fixtures/KSF for existing buildings.

Total	\$ 80,300,348
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Water and Sewer Tap Fees

Water and Sewer Tap Fees were estimated for the proposed Avalon Park Daytona Beach (Scenario B) and a traditional suburban development (Scenario A). APDB would generate nearly \$2 million dollars more in Tap Fees.

Scenario B

Avalon Park Daytona Beach Tap Fees

Type	Number of Taps		Meter Size	Tap Fee		Tap Fees Collected	
	Water	Sewer	Water±	Water	Sewer	Water	Sewer
Single Family Residential							
S.F. Detached (3336)	3,336	3,336	3/4"	\$ 1,561	\$ 332	\$ 5,207,496	\$ 1,107,552
S.F. Attached (1064)	1,064	1,064	3/4"	\$ 1,561	\$ 332	\$ 1,660,904	\$ 353,248
55+ Community (600)	600	600	3/4"	\$ 1,561	\$ 332	\$ 936,600	\$ 199,200
Multi-Family Residential (3346 Traditional, 1654 Mixed Use)							
	100	100	6"	\$ 19,858	\$ 1,561	\$ 1,985,800	\$ 156,100
Commercial Space (1,000,000 s.f.)							
Grocery (60000)	2	2	6"	\$ 19,858	\$ 1,561	\$ 39,716	\$ 3,122
Retail (520000)	52	52	6"	\$ 19,858	\$ 1,561	\$ 1,032,616	\$ 81,172
Flex Office (150000)	7	7	6"	\$ 19,858	\$ 1,561	\$ 139,006	\$ 10,927
Office (120000)	6	6	6"	\$ 19,858	\$ 1,561	\$ 119,148	\$ 9,366
Storage (150000)	2	2	6"	\$ 19,858	\$ 1,561	\$ 39,716	\$ 3,122
All \$ and Rates in 2020 Dollars (Rates)						\$ 11,161,002	\$ 1,923,809

Scenario B Tap Fees \$ 13,084,811
Scenario A Tap Fees \$ 11,370,698

Notes:

Meter Fees are not included in analysis.

Taps/KSF

Grocery at 1:30KSF; Retail at 1:10KSF; Flex Office at 1:20KSF; Office at 1:20KSF; Storage at 1:75KSF

Multi Family calculated with 1 shared Tap per 50 units

Scenario A

Water and Sewer Tap Fees - Traditional Suburban

Type	Number of Taps		Meter Size	Tap Fee		Tap Fees Collected	
	Water	Sewer	Water±	Water	Sewer	Water	Sewer
Single Family Residential (4,238)							
S.F. Detached	3,336	3,336	3/4"	\$ 1,561	\$ 332	\$ 5,207,496	\$ 1,107,552
S.F. Attached	1,064	1,064	3/4"	\$ 1,561	\$ 332	\$ 1,660,904	\$ 353,248
Multi-Family Residential (1,200)							
M.F. Traditional	100	100	6"	\$ 19,858	\$ 1,561	\$ 1,985,800	\$ 156,100
Commercial Space (599,500 s.f.)							
Grocery (60000)	2	2	6"	\$ 19,858	\$ 1,561	\$ 39,716	\$ 3,122
Retail (299500)	30	30	6"	\$ 19,858	\$ 1,561	\$ 595,740	\$ 46,830
Flex Office (70000)	4	4	6"	\$ 19,858	\$ 1,561	\$ 79,432	\$ 6,244
Office (80000)	4	4	6"	\$ 19,858	\$ 1,561	\$ 79,432	\$ 6,244
Storage (90000)	2	2	6"	\$ 19,858	\$ 1,561	\$ 39,716	\$ 3,122
All \$ and Rates in 2020 Dollars (Rates)						\$ 9,688,236	\$ 1,682,462
Total Scenario A						\$	11,370,698

Notes:

± 4",6",8", and 10" are Dual Water and Fire Taps/Meters.

Meter Fees are not included in analysis.

Taps/KSF

Grocery at 1:30KSF; Retail at 1:10KSF; Flex Office at 1:20KSF; Office at 1:20KSF; Storage at 1:75KSF

Multi Family calculated with 1 shared Tap per 50 units

Construction Impacts

Avalon Park Group estimates that it and its associated developers will expend more than \$2 Billion dollars constructing Avalon Park Daytona Beach. Construction expenditures were modeled in IMPLAN econometric software.

Avalon Park Daytona Beach Economic Impacts from Construction 2021 - 2035

Impact	Employment (Jobs*)	Labor Income	Value Added	Output
Direct	17,639	763,976,620	1,179,561,675	2,055,224,000
Indirect	3,663	153,419,879	269,546,989	513,024,747
Induced	4,353	165,985,588	312,990,573	556,483,284
Total	25,654	1,083,382,088	1,762,099,237	3,124,732,031

All \$ in 2020 Dollars

* 1 person employed for 15 years equals 15 jobs. Average of 1,710 jobs/year

Source: IMPLAN and Wynne & Associates, LLC

Avalon Park Daytona Beach Construction Expenditures

Type	IMPLAN	Units	Sq. Ft.	Const \$ per S.F./Unit	Total Const \$
Single Family Residential Structures	57	5,000			\$ 1,138,464,000
Multi Family Residential Structures	58	5,000			\$ 650,000,000
Commercial Structures	55		1,000,000		\$ 150,000,000
Roads and Alleys	54				\$ 45,000,000
Water, Sewer, Drainage	49				\$ 135,000,000
Amenities	56				\$ 20,000,000
Total					\$ 2,093,464,000

All \$ in 2020 Dollars

Ongoing/Permanent Impacts

This section outlines the ongoing permanent effects of Avalon Park Daytona Beach to the City of Daytona Beach. It is a snapshot look at the buildout year 2035 (or 15 years from project commencement).

APDB Profile -2035

A profile for Avalon Park Daytona Beach was developed by analyzing characteristics of Volusia County and neighboring counties: Flagler, Brevard, Seminole, and Orange.

APDB Population and Income

Housing Units	Vacancy Rate	Households	Average HH Size	Population	Average HH Income	APDB Spending
10,000	7%	9,300	2.64	24,552	\$83,576	\$777,256,800

All \$ in 2020 Dollars

Sources: Census Bureau Housing Survey, ECFRPC CEDS, Claritas 360

Tax Revenues

At build-out, in addition to the \$16.5 million annually in property tax revenue, Avalon Park Daytona Beach will generate approximately \$8.7 million annually in general tax revenues for the City of Daytona Beach. General tax revenue estimates were calculated using a per capita methodology based on current collections. While sharing formulas are subject to change, the per capita multiplier has proven to be a reasonable methodology over time. 2018 City of Daytona Beach Collections were obtained from the City's Comprehensive Annual Financial Report (CAFR). These revenues were divided by the 2018 Population reported in the CAFR to arrive at the per capita rates.

APDB General Revenues Generation - 2035

Source	2018 CODB Collections	2018 CODB Pop	Per Capita	APDB 2035 Pop	Estimated Collections
Gas Taxes	\$ 1,952,241.00	66,267	\$ 29.46	24,552	\$ 723,307.54
Public Svc Taxes	\$ 11,547,176.00	66,267	\$ 174.25	24,552	\$ 4,278,242.04
Sales Taxes	\$ 3,759,786.00	66,267	\$ 56.74	24,552	\$ 1,393,005.05
Franchise Taxes	\$ 6,301,472.00	66,267	\$ 95.09	24,552	\$ 2,334,702.65
Total					\$ 8,729,257.29

Note: All \$ in 2018 Dollars

Sources: CODB Comprehensive Annual Financial Report 2018, Wynne & Associates

Economic Impacts

The 9,300 households in APDB will spend around \$777 million dollars annually. This household spending was modeled in IMPLAN econometric software. The spending will create near 5,000 jobs.

Employment Induced by APDB Household Spending

Employment	Labor Income	Value Added	Output
4,968	\$193,597,700	\$363,845,008	\$644,837,769

All \$ in 2020 Dollars

Sources: IMPLAN, Wynne & Associates, LLC

The following table depicts employment by APDB Household Spending:

Top 15 Employment by Industry

IMPLAN -Industry	Employment
490 - Hospitals	393
509 - Full-service restaurants	353
510 - Limited-service restaurants	256
447 - Other real estate	204
483 - Offices of physicians	181
406 - Retail - Food and beverage stores	175
411 - Retail - General merchandise stores	164
488 - Home health care services	140
491 - Nursing and community care facilities	123
511 - All other food and drinking places	122
517 - Personal care services	118
520 - Other personal services	92
412 - Retail - Miscellaneous store retailers	91
409 - Retail - Clothing and clothing accessories stores	87
442 - Other financial investment activities	83

Sources: IMPLAN, Wynne & Associates, LLC

The commercial development component of APDB will generate additional benefits. Employment mix will be driven by demand from household consumer spending and tenant composition/mix. The following table represents employment generated by an APDB commercial space 2035 tenant mix. Nearly 3,000 jobs are estimated to be located at Avalon Park Daytona Beach in 2035. Many of these jobs may be double counted in the household spending analysis; therefore, no further analysis was conducted for commercial space employment.

Avalon Park Daytona Beach Commercial Space Employment at Buildout

Category	Square Feet	Employees per Sq. Ft.	2035 Employment
Grocery	60,000	1,000	60
Retail - Clothing and clothing accessories, sporting goods, hobby, books, musical instruments, general merchandise, miscellaneous retailers, banks.	395,000	500	790
Food and beverage stores	20,000	750	27
Full-service restaurants	50,000	250	200
Limited-service restaurants (QSR)	30,000	300	100
Other food and drinking places	10,000	300	33
Gasoline stores	15,000	350	43
Flex Office	150,000	175	857
Office	120,000	175	686
Storage	150,000		5
K-12 School			175
Total	1,000,000		2,976

Source: Wynne & Associates, LLC; Avalon Park Group.

About IMPLAN Professional

IMPLAN Professional® is an economic impact assessment software system. IMPLAN Professional, combined with IMPLAN® Data Files, allows the user to develop local level input-output models that can estimate the economic impact of new firms or industry moving into an area, change in industry sales or employment, and many more economic activities. IMPLAN combines a set of extensive databases concerning economic factors, multipliers and demographic statistics with a highly refined and detailed system of modeling software. IMPLAN allows the user to develop local-level input-output models that can estimate the economic impact of new firms moving into an area as well as the impacts of professional sports teams, recreation and tourism, and residential development. The model accomplishes this by identifying direct impacts by sector, then developing a set of indirect and induced impacts by sector using industry-specific multipliers, local purchase coefficients, income-to-output ratios, and other factors and relationships.

There are two major components to IMPLAN: data files and software. An impact analysis using IMPLAN starts by identifying expenditures in terms of the sectoring scheme for the model. Each spending category becomes a “group” of “events” in IMPLAN, where each event specifies the portion of price allocated to a specific IMPLAN sector. Groups of events can then be used to run impact analysis individually or can be combined into a project consisting of several groups. The overall movement of specific jobs and/or sales is defined as the direct economic impact. Once the direct economic impacts have been identified, IMPLAN can calculate the indirect and induced impacts based on a set of multipliers and additional factors.

The hallmark of IMPLAN is the specificity of its economic datasets. The database includes information for five-hundred-and-twenty-eight different industries (generally at the four or five digit North American Industrial Classification level), and twenty-one different economic variables. Along with these data files, national input-output structural matrices detail the interrelationships between and among these sectors. The database also contains a full schedule of Social Accounting Matrix (SAM) data. All data is available at the national, state, and county level.

Another strength of the IMPLAN system is its flexibility. It allows the user to augment any of the data or algorithmic relationships within each model in order to more precisely account for regional relationships. This includes inputting different output-to-income ratios for a given industry, different wage rates, and different multipliers where appropriate. IMPLAN also provides the user with a choice of trade-flow assumptions, including the modification of regional purchase coefficients, which determine the mix of goods and services purchased locally with each dollar in each sector.

IMPLAN Concepts and Terminology

Direct Effect - The set of expenditures applied to the predictive model (i.e. I-O multipliers) for impact analysis. It is a series (or single) of production changes or expenditures made by producers/consumers as a result of an activity or policy. These initial changes are determined by an analyst to be a result of this activity or policy. Applying these initial changes to the multipliers in an IMPLAN model will then display how the region will respond, economically to these initial changes.

Employment - in IMPLAN includes full-time, part-time, and seasonal workers and therefore does not represent full-time-equivalents (FTEs). IMPLAN employment includes wage and salary employees as well as proprietors (self-employed individuals and unincorporated business owners). IMPLAN's definition of employment is the same as that used by the BLS and BEA.

Indirect Effects – is the impact of local industries buying goods and services from other local industries. These purchases are also known as intermediate expenditures. The cycle of spending works its way backward through the supply chain until all money leaks from the local economy, either through imports or by payments to value added. The impacts are calculated by applying Direct Effects to the Type I Multipliers. IMPLAN does not assume that all input purchases are made from local businesses; the proportion of local vs. non-local purchases varies by commodity and is built into the IMPLAN system.

Induced Effects - stem from household spending of income, after removal of taxes, savings, and commuters. It represents the response by an economy to an initial change (direct effect) that occurs through re-spending of income received by a component of value added. IMPLAN's default multiplier recognizes that labor income (employee compensation and proprietor income components of value added) is not a leakage to the regional economy. This money is recirculated through the household spending patterns causing further local economic activity. Note that IMPLAN models account for commuting patterns; thus, induced impacts will only reflect the spending of wages from residents. IMPLAN removes payroll taxes, personal taxes, and savings before allowing the remainder to be spent on goods and services. IMPLAN also accounts for imports and does not assume that all purchases of goods and services are made within the study area.

Income - is the sum of Employee Compensation (wages and benefits) and Proprietor Income.

Value Added - is the sum of Employee Compensation, Proprietor Income, Other Property Income, and Taxes on Production and Imports less Subsidies (TOPI). Value-Added + Intermediate Expenditures = Output. Value Added is analogous to GDP. Value Added is the difference between an industry's or an establishment's total output and the cost of its intermediate inputs. It equals gross output (sales or receipts and other operating income, plus inventory change) minus intermediate inputs (consumption of goods and services purchased from other industries or imported).

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